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Near East/South Asia Report

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NEAR EAST/SOUTH ASIA REPORT

CONTENTS

INTERNATIONAL AFFAIRS

ARMENIAN AFFAIRS

Paper Blasts Soviets: Better Late Than Never
(HORIZON, 16 Dec 86) 1

Attempt To Correct Soviet Delegate's Vote 1
IZVESTIYA Offers 'Explanation', by Arto Vahanian 2

ARAB AFRICA

ALGERIA

Defense, Finance, Justice, Foreign Affairs: 1986 Budget Plans
(EL MOUDJAHID, 7 Dec 85) 4

Women's Union Holds National Family Planning Week
(Salima Zighem; EL MOUDJAHID, 7 Dec 85) 8

APS Views Western Role in Energy Market Problems
(APS, 22 Jan 86) 10

Briefs
Soviet Forestry Delegation Arrives 12
First Round of Talks Held 12
Forestry Memorandum With USSR 12
Saharan Officials Tour Africa 12
Bendjedid Receives Message 12
Visit of Japanese Communists 13

Algerian Diplomats Safely Evacuated 13
Cooperation With Albania 13
Algeria Records 4.6-Degree Earthquake 13

EGYPT

Foreign Minister 'Abd al-Majid Views Ties With Turkey
('Ismat 'Abd al-Majid Interview; CUMHURIYET, 15 Jan 86)..... 14

Fair Media Coverage for Opposition
(THE EGYPTIAN GAZETTE, 12 Jan 86)..... 16

Interview With Egyptian Opposition Figure
(Safwat Abu Talib; SAWT AL-SHA'B, 18 Jan 86)..... 17

Petroleum Minister Affirms Intensified Drilling Plans
(THE EGYPTIAN GAZETTE, 13 Jan 86)..... 21

Cairo Security Director Assesses Antinoise Campaign
(THE EGYPTIAN GAZETTE, 15 Jan 86)..... 22

Culture Minister Sets Meeting on Film Standards
(THE EGYPTIAN GAZETTE, 15 Jan 86)..... 24

NDP Works Out Land Reclamation Bill
(THE EGYPTIAN GAZETTE, 20 Jan 86)..... 25

Social Conditions Necessitate New Nasserism
(Jamal Salim; ROSE AL-YUSUF, 6 Jan 86)..... 26

Briefs
Bedouin Settlements 31

MOROCCO

Briefs
Spanish Banks in Enclave 32
North Africa Morocco 32

TUNISIA

Mzali on Democracy, Relations With U.S.
(Mohamed Mzali Interview; LIBERATION, 20 Jan 86)..... 33

SICAT Cooperates With Plan for Decentralized University
(LA PRESSE DE TUNISIE, 6 Dec 85)..... 35

Cooperation With Senegal in Exhaust Pipe Project
(DIALOGUE, 9 Dec 85)..... 37

Briefs
Austria Cancels Entry Visa Exemption 38

ARAB EAST/ISRAEL

IRAQ

Ahvaz Liberation Front Official Denounces Khomeyni Regime
(Husayn Madi Hasan Interview; AL-YARMUK, 25 Aug 85)..... 39

ISRAEL

Interview With Chief of Civil Administration for Territories
(Efrayim Sneh Interview; BAMAHANE, 25 Dec 85)..... 43

Plans Call for Expanding Jewish Town Near Arab Hebron
(Yehuda Litani; HA'ARETZ, 10 Jan 86)..... 52

Religious Druze Decline Military Service
(Yehuda Tzur; 'AL HAMISHMAR, 10 Jan 86)..... 54

Recent Laws Said To Limit Freedom of Press
(Mark Gefen; 'AL HAMISHMAR, 10 Jan 86)..... 58

IDF Education Commander Interviewed
(Nehemya Dagan Interview; 'AL HAMISHMAR, 10 Jan 86)..... 64

Briefs
Egyptian Consul Gets Assistant 72

KUWAIT

Chamber of Commerce, Industry in Solving Stock Crisis Examined
(SADA AL-USBU', 19 Nov 85)..... 73

LEBANON

Secretary General of Armed Forces on Christian Survival
(Georges Adwan Inteview; LA REVUE DU LIBAN, 9-16 Nov 85).... 81

Fuel Subsidies Pose Budgetary Problem
(LA REVUE DU LIBAN, 9-16 Nov 85)..... 89

SOUTH ASIA

AFGHANISTAN

Briefs
Soviets Providing Military Training 100
Mujahidin Military Operations 100

IRAN

Prosecutor Urges Return of Properties to Rightful Owners
(KEYHAN, 20 Nov 85)..... 101

Official Announces Proposed Plan for Confiscated Land
(KEYHAN, 20 Nov 85)..... 105

Paper Criticizes Remarks by Turkey's Ozal
(KEYHAN, 7 Jan 86)..... 107

Petroleum Minister Comments on Gas Injection Into Oil Wells
(Tehran Domestic Service, 10 Jan 86)..... 110

Briefs
Baha'i Leader Reports Persecutions 112
Housing Units Renovated 112
Industrial Projects Implemented Since '79 112
Corruption in Cabinet 113
Paper on Training, Security 113
Transmitter Reportedly Blown Up 113
Military Shipment Arrival Reported 114
Bandar-abbas-bafq Railway 114
Iranshahr Lime Kiln 114

PAKISTAN

Repatriation Fund To Honor Zia-ul-Haq Commitment
(DAWN, 12 Jan 86)..... 115

Commentary Urges Direct Talks on Afghanistan
(DAWN, 13 Jan 86)..... 116

Punjab To Abolish Lahore Fort Subjail
(Mahmood Zaman; DAWN, 12 Jan 86)..... 118

Commentary Views Closing of Lahore Front Subjail
(DAWN, 13 Jan 86)..... 119

TI Reopens Karachi Office, Membership Drive
(DAWN, 13 Jan 86)..... 120

Talks for World Bank Loan Under Way
(DAWN, 13 Jan 86)..... 121

Gwadar Export Processing Zone Planned
(DAWN, 13 Jan 86)..... 122

Paper Explains Causes of Increased Electricity Demand
(DAWN, 13 Jan 86)..... 123

Briefs
Call for Independent Sind 124
Threat to Exiles Regretted 124

PAPER BLASTS SOVIETS: BETTER LATE THAN NEVER

Attempt to Correct Soviet Delegate's Vote

Montreal HORIZON in Armenian 16 Dec 86 p 1

[Text] This article refers to an attention-getting article, reprinted (in this newspaper) from the 22 November 1985 issue of GRAKAN TERT, which had appeared in the 18 November issue of the Soviet daily newspaper IZVESTIYA, an abbreviated English version of which we received practically simultaneously from the Soviet Information Bureau in Ottawa.

...the article was specifically written as a response to the commotion which was aroused by the negative position taken by the Soviet delegation at the August session of the UN Human Rights Subcommittee in Geneva. The vote against adoption of Whittikare's document was interpreted by many (including us) as an objection to recognition of the fact of the Armenian Genocide. The author of the article in IZVESTIYA, although he employs a technique of criticizing the author of the document and the document proper for various errors -- to justify Sofinskiy's "subject matter", the main thing is the fact that he clearly and without mincing words, be it at the beginning or the end of the article, takes a position against distortion of history and for acknowledging the Great Armenian Massacre as a Genocide. This attempt to set the record straight is welcome. We hope that the Soviet authorities will acknowledge that the Armenian people, the homeland of whom is today one of the 15 constituent republics of the Soviet Union, rightly expects that under no circumstances, in no way and for no reason whatsoever, should the fact of the Armenian Genocide be placed in doubt on the part of their representatives, but on the contrary, that the Soviet Union itself should stand as defender of the Armenian Cause and put its international weight behind efforts to regain the lands which comprise the homeland of the Armenian people.

We take this occasion to reprint an excerpt of the article "Better Late Than Never," carried by our fellow newspaper KAMK.

IZVESTIYA Offers 'Explanation'

Montreal HORIZON in Armenian 16 Dec 85 p 1

[Article by Arto Vahanian]

[Text] Upon reflecting on Soviet expert Sofinskiy's negative position in connection with Paragraph 24 of the document submitted to a UN subcommitteee and the opposition generated on that occasion, the KAMK correspondent writes:

"The Armenian Revolutionary Federation, whose principles include sharp criticism of all anti-Armenian activities, from whatever quarter, in conformity with these principles lodged a protest and demanded an explanation on behalf of the Armenian people. And an explanation came without delay.

"At first unofficial and official Soviet spokesmen stated verbally at various meetings that their objection to Paragraph 24 had nothing to do with the Armenian Question and the Armenians and that their objection dealt with other points in that paragraph.

"This explanation would most probably seem acceptable if it did not contain one point, which we shall discuss below. The verbal explanations were found unsatisfactory, and Soviet embassies and consulates in various countries continued to be bombarded with letters of protest. The Armenian people was demanding a public explanation.

"And now on 17 November APN, the most important news service in the Soviet Union, distributed to various parts of the world an English-language news release dealing with the problem of genocide. The news release stated at the very beginning that the Soviet Union recognizes and has always recognized the Armenian Genocide which took place in 1915, and the fact that its representative came out against Paragraph 24 was for reasons which had nothing to do with the Armenians. In conclusion the news release stated that Sofinskiy's position regarding Paragraph 24 was being used by anti-Soviet elements to create anti-Soviet sentiments within the Diaspora.

"What were the true reasons behind the news release? It is obvious that the Soviet authorities were officially responding to the demands and concerns of the Armenians and issuing a public explanation.

"On 18 November IZVESTIYA carried an article entitled "They Echo To Retrogression," in which it became clear that in spite of reference to the previous day's news release on the question of genocide, it was essentially referring to the Armenian Question."

After listing a number of points addressed by that article, Vahanian continues: "Thus the Soviet Union is officially announcing that it recognizes and condemns the genocide of the Armenians and that the objection made against Paragraph 24 had no connection with the Armenians. Better late than never. We should note that these days, when Soviet diplomats are doing everything they can to improve relations between the Soviet Union and Turkey, such an announcement was gratifying to the Armenian masses."

The above-mentioned explanation is of course satisfactory to the Armenian people, and the matter can be considered closed. Sometimes it is "better late than never." But why could not Sofinskiy himself have given the exhaustive explanation carried in IZVESTIYA at the time the vote was taken? Why did he not declare right on the spot that the Soviet Union has always recognized and condemned the genocide of the Armenians, but that the genocide is addressed together with points which are unacceptable to the Soviet Union? With such a statement, Sofinskiy could have prevented the uproar created in the Diaspora, which the Soviet Union, which considers itself a friend of the Armenian people, should have foreseen.

3024
CSO: 4605/20

DEFENSE, FINANCE, JUSTICE, FOREIGN AFFAIRS: 1986 BUDGET PLANS

Algiers EL MOUDJAHID in French 7 Dec 85 p 3

[Article by K. N.; original paragraphing not strictly followed]

[Text] Last Thursday the National People's Assembly [APN] began its examination of the sectoral state budgets included in the finance bill for 1986.

The budgets in question were the operating budgets for the Presidency of the Republic and the Ministries of National Defense, Justice, Foreign Affairs, and Finance, as well as the joint expenditure budget. Present on the government bench for the occasion were Boualem Baki, minister of justice; Boualem Benhamouda, minister of finance; Mostefa Benamar, deputy minister in charge of budget; and Smail Hamdani, secretary general of the Ministry of Foreign Affairs.

At the opening of the plenary session, Rabah Bitat gave the floor to the reporter for the assembly's Planning and Finance Committee, who read the report on the 1986 draft operating budget for the following sectors:

Presidency of the Republic:
Credits voted for 1985: 611.850 million dinars
Proposed credits for 1986: 640 million dinars.

Ministry of National Defense:
Credits voted for 1985: 4,793.137 million dinars.
Proposed credits for 1986: 4.459 billion dinars.

Ministry of Justice:
Credits voted in 1985: 477.357 million dinars.
Proposed credits for 1986: 556.392 million dinars.

Ministry of Foreign Affairs:
Credits voted in 1985: 583.514 million dinars.
Proposed credits for 1986: 619.258 million dinars.

Ministry of Finance:
Credits voted in 1985: 1,252.450 million dinars.
Proposed credits for 1986: 1,446.150 million dinars.

Joint expenditure budget:
Credits voted in 1985: 25,197.552 million dinars.
Proposed credits for 1986: 23,384.477 million dinars.

In its analysis of the budget funds for the Presidency of the Republic, the Planning and Finance Committee notes that for 1986, the amount is increasing only very slightly despite the new provisions regarding social security, lump sum payments, and social action, which required the addition of a supplementary envelope totaling nearly 28 million dinars. The committee report also notes that the results achieved by the Commissariat for New Energies deserve to be emphasized. In a period of 4 years, the country has acquired a basic scientific and technological potential that is vitally important for consolidating the country's economic independence and ensuring its industrial future.

The APN's Planning and Finance Committee also draws attention to the complete Algerianization of personnel in the fields of research, training, and execution as well as the use of local means of execution thanks to closer relations with enterprises, universities, and national organizations, with which numerous research and development protocols and cooperation agreements have already been signed.

Concerning the budget funds for the Ministry of National Defense, the Planning and Finance Committee emphasizes the role played in economic development by the National Service, whose participation in the building of railroad infrastructures is particularly important. It will be necessary to consolidate the experience gained and make it profitable by mobilizing adequate human and material means.

Special mention is made of the results achieved in operations to develop the southern part of the country, particularly in the Tamanrasset region. Those results have made it possible to increase agricultural production noticeably and to satisfy local needs.

The experience gained will benefit the local inhabitants, whose agricultural traditions are limited, and it is to be extended to the other regions of the country involved in the vast development program.

Concerning the budget funds allocated to the Ministry of Justice, the Planning and Finance Committee feels that the efforts already made must be intensified to ensure rapid achievement of the objective of decentralization as called for in the law of 23 June 1984 regarding judicial districts. Particular attention is paid to the increase in the number of administrative courts. The nature of the litigation they are called upon to handle requires the presence of good-quality personnel and an adequate provision of the necessary resources.

Passing on to the operating budget for the Ministry of Foreign Affairs, the report by the APN's Planning and Finance Committee notes that the proposed additional credits will be used to improve the operation of that ministry's departments. Their expected effects will be seen primarily at the level of our diplomatic and consular missions, which are destined to intensify their activities. It will be a question of unifying and improving their standard of service. The seminar for Algerian consuls in France is a response to that desire, and it reflects the Political Directorate's interest in and concern for the problems being experienced by our nationals abroad, especially our emigrants, who have become the target of hostile and discriminatory actions. The committee emphasizes the importance of such initiatives and expresses the hope that such meetings will be held periodically to bring about constant improvement in the effectiveness of the intervention and service that our missions must provide for the community residing abroad.

Concerning the Ministry of Finance, the APN committee notes in particular that the effectiveness of tax administration remains dependent on interdepartmental coordination internally and, externally, on the reliability of the information provided by departments responsible for keeping track of activities, transactions, and so on. Pending the design and implementation of a data processing system concerned with production and services, that approach is bound to confirm the citizen in his conviction that he is making a real and effective contribution to the national development effort.

In connection with customs, attention should be drawn to the persistence of disagreeable spectacles on the frontiers, where long waiting lines are still being observed at the crossing points. It is true, especially in peak periods, that departures for abroad are events whose dimensions sometimes overwhelm the available human and material resources. But the scenes at crossing points should give rise to reflection concerning ways to implement new means and procedures appropriate for ensuring both respect for the citizen and protection of the economy.

The phenomenon observed at the frontiers is also noted within the country, where large crowds gather at bank windows to withdraw their tourist allowances. The long wait by citizens at the doors of bank branches is in danger of harming the credibility of our financial institutions. The committee therefore calls for an increase in infrastructures and for the opening of enough teller windows, especially during vacation periods.

Lastly, the APN's Planning and Finance Committee notes the decrease in the joint expenditure budget. The report points out that that decrease is to be explained partly by the decision to make the various ministerial departments responsible from now on for credits related to lump sum payments, the employer's share of the retirement contribution included in social security, and the contribution for the financing of social work.

After the report by the Planning and Finance Committee had been presented, several deputies spoke to make comments or ask for information concerning certain budget allocations or matters of common concern to the citizens and their elected representatives. The ministers of justice and finance and the

reporter for the assembly's special committee spoke in succession to provide the answers and clarifications requested by the deputies.

Continuing its examination of the state sector's budgets, the National People's Assembly will look this morning at the operating and equipment budgets of the Ministry of Interior and the Ministry of Planning and National Development.

11798
CSO: 4519/38

ALGERIA

WOMEN'S UNION HOLDS NATIONAL FAMILY PLANNING WEEK

Algiers EL MOUDJAHID in French 7 Dec 85 p 2

[Article by Salima Zighem]

[Text] "Arousing public opinion to the need to space births" is the objective of the Second Family Planning Information and Awareness Week, which will begin today throughout the national territory.

This second national family planning week, which will last until 13 December, will include several exhibits, public debates, gatherings at governorate-operated enterprises under the sponsorship of the UNFA [National Union of Algerian Women], films dealing with family planning, and so on.

To arouse the awareness of the inhabitants and educate them concerning the objective of controlling fertility--that is, "having only the number of children one wants and when one wants them"--the Ministry of Social Protection, in cooperation with the Ministries of Health, Religious Affairs, National Education, and Culture and the various mass organizations and professional unions, is stepping up the number of these informational weeks, which are flashes of health and social education and present the small family as the ideal.

The importance of such weeks is therefore obvious. They are aimed at arousing the awareness of the citizens and informing them concerning the negative effects of chaotic population growth and concerning the development of family potential, the quality of life, and the national economic apparatus.

It should be noted that the first such week to be held took place from 16 to 22 February 1985 and made it possible to spread the information in question throughout the national territory. It also made it possible to lay the foundation for regional family planning programs.

In that context and as part of the evaluation of those programs, plans call for sending Mrs Z'hor Ounissi, member of the Central Committee and minister of social protection, to several of the country's regions. Those visits to rural areas will enable officials to make a careful study of the question of spacing births, which has become more than a necessity today. It is an issue that is

not strictly medical in nature but social, hence the decisive role of society and particularly the family.

What is involved, therefore, is a drive to educate the public in every region of the country. The country will have to become acquainted with all the factors burdening the normal development of societies and, more specifically, the extremely negative consequences of an imbalance between a society's production capacity and its rate of population growth.

The organization of this second family planning week requires mobilization of the executive directorates in the governorates as well as the local party bodies, the mass organizations, and the professional unions.

Lastly, it must be noted that implementation of a coherent and active policy, based on a new approach involving the cooperation and mobilization of all available national energies with a view to controlling population growth, cannot be achieved without support by all the citizens and intervention by all public sectors. As a result, the deployment of all infrastructures and their operation nationwide should be carried on simultaneously with activities aimed at increasing awareness so as to achieve conscious and willing support on the part of the greatest number of inhabitants.

11798
CSO: 4519/38

APS VIEWS WESTERN ROLE IN ENERGY MARKET PROBLEMS

LD221419 Algiers APS in English 1125 GMT 22 Jan 86

[Text] Algiers, 22 January 86 (APS)--The turbulences of the energy market are increased by the acts of the Western countries leaders who try to control conditions of offer and remuneration of this exhaustible and non renewable resource in order to maintain their privileges and enlarge their domination to the detriment of the interests of the international community. These turbulences may create risks and unexpected reactions from impoverished populations.

The recent evolution of the prices of this product which is essential to the economic growth confirms the tendency which consists in imposing views which can only compromise a precarious balance and plunder riches in order to create an appropriate frame for renegotiation. The actions which are being presently taken by the main protagonists, and amplified by certain media, must be analyzed with serenity and objectivity for the comprehension of these processes.

In this context, the Organization of Petroleum Exporting Countries, (OPEC), which constitutes a strong argument for the beginning of a north-south dialogue and a privileged instrument for the regulation of the oil market, is now subject to new constraints and conditions. But the organization does not yet have an autonomous capacity of prediction that will enable it to set up its strategy. In addition, OPEC has not set up a system of sanctions of infractions of some of its members which have not always respected the organization decisions and did not take into account non OPEC production.

The Western countries are preparing the negotiation of their condition of supply and try to weaken their suppliers by subtile manoeuvres by making people believe that OPEC has no raison d'etre.

In the frame of this negotiation, the developing countries must protect their interests by the adoptions of laws opposable to their foreign partners. The Western states do not hesitate to promulgate laws that establish a restrictive concept of sovereignty or invoke community obligations in order to refuse to give a particular advantage in the frame of bilateral relations.

The Economic integration as the one of the E.E.C. and its enlargement protect the rights of members and reduce the power of negotiations of others. [sentence as received] To avoid a degradation of their position, the developing countries must reinforce and adapt their legislation by introducing new laws on one side and on the other side think of regional integration projects in order to avoid to undergo the consequences of the others' strategy and safeguard a margin of maneuvres without which the concept of sovereignty will lose its meaning.

/12913
CSO: 4500/66

BRIEFS

SOVIET FORESTRY DELEGATION ARRIVES--A Soviet delegation led by Zverev, chairman of the State Committee for Forestry arrives in our country this afternoon on a several-day official visit at the invitation of the minister of hydraulics, environment, and forests. [Text] [Algiers Domestic Service in Arabic 1900 GMT 11 Jan 86 LD] /12913

FIRST ROUND OF TALKS HELD--Algiers, 12 January 86 (APS)--A Soviet delegation is currently visiting Algeria at the invitation of Hydraulics, Environment, and Forestries Minister, Mohamed Rouighi. This visit follows upon the visit paid by Mohamed Rouighi to the Soviet Union in May 1985. A first round of talks was held yesterday. It took up bilateral cooperation in the field of hydraulics, environment and forestries. Mr. Zverev will have a series of talks with government members and visit achievements in the field of forestries. [Text] [Algiers APS in English 1009 GMT 12 Jan 86 LD] /12913

FORESTRY MEMORANDUM WITH USSR--Algiers, 16 January 86 (APS)--A minute was signed by the Minister of Hydraulics, Environment and Forestries, Mohamed Rouighi, and the president of the Soviet State Committee for Forestry, A.I. Zverev. During his visit to Algeria, Zverev had talks with several ministers on means to reinforce the cooperation in the fields of forestry and hydraulics. [Text] [Algiers APS in English 1121 GMT 16 Jan 86 LD] /12913

SAHARAN OFFICIALS TOUR AFRICA--SDAR Presidency, General Secretary Ould Sadek is visiting several African countries. Ould Sadek was received in Lagos by the Nigerian chief of staff. The Saharan official also visited Ouagadougou where he was received by Burkinabe President Thomas Sankara. Ould Sadek then went to Lome where he had talks with Togolese President Eyadema. Another Saharan diplomat [not further identified] is in Lusaka where he had talks with the Zambian minister of state in charge of foreign relations. Following this meeting, the Zambian minister reiterated to the Saharan diplomat his country's support for the Saharan republic. [Text] [Algiers Domestic Service in French 2200 GMT 14 Jan 86 LD] /12913

BENDJEDID RECEIVES MESSAGE--Algiers, 13 January (APS)--President Chadli Bendjedid, president of the Republic and FLN secretary general, today at the presidential palace received Mr Rafle Gulail Bile, the Somali minister of agriculture, who handed the president a message from President Siad Barre of Somalia. [Excerpt] [Algiers APS in Arabic 1600 GMT 13 Jan 86 LD] /12913

VISIT OF JAPANESE COMMUNISTS--The discussions held in Algiers between FLN delegation and a Japanese Communist Party delegation which yesterday ended its visit to Algeria, were crowned with the following press statement: At an invitation of the FLN, a delegation of the Japanese Communist Party has made a working and friendly visit to Algeria from 13 to 19 January. It held political talks with a FLN delegation headed by the Brother Abderrezak Bouhara, member of the central committee permanent secretariat in charge of external relations. The two delegations have noted with satisfaction the relations existing between the two parties and agreed to strengthen the exchange of news about the activities of the two parties in order to consolidate the solidarity between them. The two delegations promised to continue and intensify the struggle against imperialism, colonialism, zionism, racism and all the forms of oppression, interference, and exploitation in order to end hegemony and inequality. [Text] [Algiers Domestic Service in Arabic 0600 GMT 20 Jan 86 LD] /12913

ALGERIAN DIPLOMATS SAFELY EVACUATED--President Chadli Benjadid had a telephone call this evening from 'Ali 'Abdallah Salih, president of the YAR. The two presidents had already spoken to each other in the early afternoon about the situation prevailing in the PDRY. A number of foreign nationals were evacuated from the PDRY today--nearly 1,000 of 25 different nationalities. Twelve members of the families of Algerian diplomats posted in Aden have been evacuated to Djibouti. This was learned in Algiers today from the Ministry of Foreign Affairs, where it is also stated that the whole of the diplomatic staff and their families are safe and sound. [Excerpts] [Algiers Domestic Service in French 2200 GMT 18 Jan 86 LD] /19213

COOPERATION WITH ALBANIA--A cooperation agreement in the field of science and education for the years 1985 and 1986 was signed in Tirana between Algiers University of Science and Technology "Houari Boumediene" and "Enver Hoxha" University of Tirana. This agreement was signed by honorary rector of Algiers "Houari Boumedien" university, professor Mustapha Benhadef and Professor Osman Kraja rector of "Enver Hoxha" University. It is worth recalling that the Algerian delegation was [words indistinct] Albanian Minister of Education and Culture, Tefta Cami and visited scientific, social and cultural institutions. [Text] [Algiers APS in English 1008 GMT 25 Jan 86 LD] /12913

ALGERIA RECORDS 4.6-DEGREE EARTHQUAKE--At 2110 an earthquake was recorded this evening in the Al-Balaydah, (Bilda), area. Its intensity was estimated at 4.6 on the Richter scale. The research center on earth sciences (?and geology) at Buzarri'ah announced that the quake was preceded by two light tremors at about 1520 and it comes as an aftershock to the eqarthquake that was recorded in the Blida area on 10 January. [Text] [Algiers Domestic Service in Arabic 2300 GMT 19 Jan 86 LD] /12913

CSO: 4500/66

FOREIGN MINISTER 'ABD AL-MAJID VIEWS TIES WITH TURKEY

NC211346 Istanbul CUMHURIYET in Turkish 15 Jan 86 pp 1, 10

[Interview with Egyptian Foreign Minister Dr 'Ismat 'Abd al-Majid by CUMHURIYET correspondent Cengiz Candar in Cairo; date not given]

[Excerpts] Following the Fes conference of foreign ministers from the Islamic countries, and on the eve of President Kenan Evren's visit to Egypt, Egyptian Foreign Minister Dr 'Ismat 'Abd al-Majid made a statement on Turkish-Egyptian relations to CUMHURIYET. Stressing that the friendship between Turkey and Egypt dates back to ancient times, the Egyptian foreign minister noted that "one out of every two Egyptians has Turkish blood in his veins, and they are proud of this." According to the Egyptian foreign minister, there are strong ties between the two peoples, but these have yet to be duly explored, and he urged the Turkish press to contribute to the further development of these relations.

In his remarks to CUMHURIYET, the Egyptian foreign minister declared: "The Bulgarian Government should give a positive response to your government's call for a dialogue. I was deeply impressed by Foreign Minister Vahit Halefoglu's comments in Fes on the plight of the Muslim minority in Bulgaria. I also dwelt on Bulgaria's Muslim minority in my speech." This is what the Egyptian foreign minister said in response to our question on Turkish-Egyptian relations: "We are in constant touch with your government. As far as Greece is concerned, I hope you realize that we maintain good relations with her. We have listened to the different viewpoints quite closely. We hope that the two countries (Turkey and Greece) will hold talks and that an atmosphere of mutual understanding will prevail. As for Cyprus, we understand the Turkish Cypriot position. If accepted, we would be happy to serve as a factor for moderation and assistance."

[Candar] Is this an invitation?

['Abd al-Majid] No, it isn't. I am not in a position to say that it is. However, it is our duty to try and find a settlement to this difficult issue, for we are friendly with both sides. We encourage UN efforts in the search for joint understanding. Something may come of this work.

[Candar] Can Egypt be a moderating influence within the Nonaligned Movement as far as Cyprus is concerned? After all Egypt and the Greek Cypriot administration, which you call the "Cypriot Government," are both in the Nonaligned Movement.

['Abd al-Majid] I believe we are a moderate country in this region. It is our policy to prevent conflicts and to reconcile different views. At this point, I would like to refer to the Iran-Iraq conflict, which is a source of serious concern to us, to you, and to many countries in the region. We urge both sides to come to the negotiating table. While we have nothing against Iran, we essentially support Iraq. We feel that Iraq is paying greater attention to the peace efforts launched by the ICO.

[Candar] Do you expect anything from Turkey in terms of the Middle East and Palestinian questions? What kind of role do you expect it to play?

['Abd al-Majid] We would be extremely grateful if Turkey could promote peace efforts from inside the EEC. We look upon Turkey as a close friend of the Arab countries and, at the same time, as a member of the EEC. The submission of its views in the search for a just and peaceful settlement to the Palestinian issue would be extremely useful.

[Candar] What does peace process mean? Does it refer to the joint efforts being made by Jordan and Palestine?

['Abd al-Majid] The joint efforts of Jordan and Palestine are very important. They constitute the basis of the peace process.

[Candar] Is this initiative still alive?

['Abd al-Majid] I hope so. I am aware of the difficulties involved. As Egyptians, we are convinced that this initiative should be encouraged. We would be very happy if our Turkish brothers lent it their support.

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CSO: 4500/62

FAIR MEDIA COVERAGE FOR OPPOSITION

Cairo THE EGYPTIAN GAZETTE in English 12 Jan 86 p 3

[Text] Television will continue to transmit the People's Assembly sessions, in which the viewpoints of all parties, including those of the opposition, are brought to the notice of the public, said the Minister of Information, Mr. Safwat el-Sherif. He was commenting on an query by Mr. Yassin Serag Eddin of the Waf Party, directed to the Prime Minister, on the policy adopted by mass media which, according to him, concentrates on the government viewpoint with complete disregard of the opinions of the opposition.

He said the sessions of the House are usually broadcast in brief, the matter having been left completely to the TV officials themselves to pick on the more important aspects of the debates, as it is impossible to present a full-hour session.

He further explained that during the election campaign the TV and radio gave an opportunity to leaders of the various parties, for the first time in Egypt, to present their own programmes to the people on TV and not a word was deleted from their addresses.

Mr. Sherif said in his reply that during the previous parliamentary session, a total of 20 hours of debate was broadcast on TV. The opposition parties share in the early part of the session, which was devoted to discussing the President's statement was 40 minutes, while the ruling party's share was 60 minutes.

Mr. Sherif said that the TV daily transmission time amounts to 22 hours which cover all parts of the country, while the radio transmits 222 hours daily covering the Arab and Islamic world and Africa.

The Minister said that TV renders a service to the State estimated at LE 46 million and that the deficit in its 1983-84 budget stood at LE 23 million, despite the fact, that it supplies the State treasury with LE 25 million, raised from commercial advertising.

Opposition leader, Mr. Momtaz Nassar, said that the Constitution secured equal opportunities for all parties, and requested that the TV and radio adhere to this principle. He called for arranging symposium on television, in which the opposition would take part. GSS

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INTERVIEW WITH EGYPTIAN OPPOSITION FIGURE

JN181200 Amman SAWT AL-SHA'B in Arabic 18 Jan 86 pp 17, 16

[Article by Safwat Abu Talib]

[Excerpts] In a long, delicate, and exciting talk, Khalid Muhyi al-Din, secretary general of the opposition National Progressive Unionist Grouping Party in Egypt, speaks about several pan-Arab, international, regional, and national issues. In this exclusive interview, Muhyi al-Din demands that a meeting of the collective Arab Defense Pact be held with Egypt's participation because Egypt reiterates its commitment to defend its Arab nation. He says that the Camp David agreement is dead because it was based only on negotiations, arguments, and persuasion and ignored other pressure factors.

The following is the text of the interview.

SAWT AL-SHA'B: How do you view the cracks in the Arab world's facade?

Khalid: For example, if we take the 11 February 1985 Jordanian-Palestinian agreement, we find that it is based on all the UN resolutions. Therefore, the current pressure on the PLO to accept Resolutions 242 and 338 is meaningless. Egypt has always supported the Jordanian-Palestinian agreement. Then came the Cairo declaration with Egypt's blessing which included UN approval of the FES resolutions. [sentence as published]

The current political pressures on the PLO to accept Resolution 242 should not continue because Israel hit the PLO headquarters in Tunisia while knowing that the Abu Nidal [Sabri al-Banna] group is the party that is mainly responsible for all terrorist attacks. It is like the wolf and lamb story.

Therefore, I demand an immediate Arab summit in order to make a decision and counter Israeli and U.S. threats of aggression. In this summit, the Arab leaders should threaten to sever their relations with the United States and take political and economic stands against U.S. interests, in addition to making a simple, yet important and serious decision that is, preventing the establishment of any U.S. or other military bases in any part of the Arab region. The mere announcement of such a decision would change the international balance of power in the Arab nation's favor. This would keep the Arab region outside the stage of superpower struggle. Moreover, if the Arab summit considers the military strength of each Arab state, the Arabs would outweigh and be more powerful than Israel.

I also demand that Egypt be invited to an Arab Collective Defense Pact meeting in order to shoulder its responsibilities, given its repeated assertions that it is committed to its responsibility of defending the Arab nation despite the Camp David accords. Egypt should be invited to this meeting in order to be confronted with its responsibilities.

I wonder what the basis of a political solution are. In my opinion, if there is no Arab political pressure and military power as well as comprehensive Arab coordination, there will be no tangible opportunity for a political solution in the Middle East.

[Safwat Abu Talib's interpolation] Commenting on the withdrawal of the Syrian missiles after Israel and the United States expressed their displeasure with them, Khalid Muhyi al-Din says: This stand in itself shows the extent of the Arab weakness and deterioration because it is clear that if Syria did not back down, it would face the situation single-handedly. Naturally, it came down and was satisfied with defending its own territory. Naturally, all the above stands encourage Israel to launch aggressions.

In my opinion, our problem in the Arab world is a political one, and hence it is the problem of the Arab regimes as a whole--both the moderates and the hardliners. I am speaking here in my capacity as a leader of one of the groups of the Egyptian national movement, which is more engaged in interacting more with the Arab world's developments than any other side.

SAWT AL-SHA'B: As you see, convening a normal Arab summit conference has been obstructed for more than 3 years.

Khalid: Regrettably, this is one of the reasons for our tragedy. My information about the postponement of the summit points out that an Arab country still opposes the representation of the PLO leadership at the conference. Regrettably also, that country asserts that it is not against the PLO but against its leadership. Frankly, I am convinced that this matter concerns that PLO and the Palestinian people who alone have the right to choose their leadership. We should not interfere in Palestinian affairs as long as the PLO has not relinquished any of the principles adopted by the Arab summit conferences.

If Syria comes under aggression we will stand on its side despite our differences with it with regard to the Iran-Iraq war and its stand on the PLO leadership. Although I was also against the Libyan stand when JANA issued a statement supporting terrorism, at the same time I reject any aggression against Libya by the United States or even by Egypt. We are against any aggression against any Arab country because the Arab armies should be directed against the real enemy, Israel and the United States. Therefore, the failure to convene the Arab summit is considered a big disaster.

SAWT AL-SHA'B: Do you not believe that Soviet participation in a solution [to the Middle East issue] will allow the USSR to have a military or other kind of presence in any Arab territory?

Khalid: A Soviet military presence will only take place at the countries' request. For example, the Soviet presence in Egypt took place in the wake of

the Israeli military aggression against Sinai in 1967, and the USSR departed from Egypt before the 1973 October war. There is no danger from the Soviet military presence because it only comes on request. The Soviet military presence will remain in Syria until the Syrian forces' training in the missile bases is completed, and it will remain in Libya for the same reason. I believe that if the danger of war is gone there will be no Soviet presence. I also believe that a Soviet-U.S. balance in the Mediterranean will be in favor of the Arabs. This is in addition to my old belief that if the Arab world decides that there should be no foreign military bases in its territory the world balance of power will then change. If the balance of power is changed, the Middle East problem will be completely resolved. The biggest shortcoming of the Camp David accords was that it allowed us to enter the U.S. sphere of influence, which of course reinforces the preparations for a third world war. Nonsubservience and diversification will help move the Middle East and oil away from world conflict.

I would like to assert here that in light of this, work should continue to end the Iran-Iraq war. I believe that if all Arab countries announce that they will support and back Iraq, that war would stop. It is Israel which is now supporting Iran, and the United States gives its blessing to this. After this war, Iraq will have significant military experience and its army will be an important force in the Arab force. The Iraqi forces have good experience in war. Therefore, it is not fortuitous to say that Israel will not allow this war to stop until it solves the Middle East issue the way it wants to.

SAWT AL-SHA'B: How do you explain some Arab countries' support for Iran?

Khalid: Some people believe that the Iraqi Ba'th group will fight the Syrian Ba'th group. It has been proved that no outside war can topple any ruling regime. The evidence of this is Iran itself. The rule of the shah was not toppled by invasion. Foreign invasion usually helps unite the nation. I should say to everybody that we should end that war because Iraq will then become more support for the Arab force. In my opinion, ending that war is parallel to resolving the Middle East issue.

SAWT AL-SHA'B: Six years have passed since the signing of the Camp David accords. How do you view them and what are the prospects for a peaceful solution?

Khalid: Camp David is over and done with; it is a dead solution. It is now between Egypt and Israel. The Camp David method did not grow to include other Arab states. Jordan, which seeks a peaceful solution, rejects Camp David and adheres to an international conference.

We are not against any political solution that would bring about peace, using all the available cards. Camp David failed because it employed only the methods of negotiations, arguments, and persuasion. Naturally, if the enemy does not realize the danger of a failure in the negotiations and the possibility that you might resort to other actions, it will ultimately wrest concessions from you. This was the end of Camp David: Great concessions only on Egypt's part and the restoration of a demilitarized Sinai minus Tabah.

The second part of Camp David, which al-Sadat described as concerning a comprehensive solution, the Palestinian issue, and the autonomy, is also dead. Egypt itself participated in its death.

Therefore, the Camp David idea has died. King Husayn also made this clear when he announced that he would restore relations with Egypt and continue to reject Camp David. Therefore, I believe that any solution on the Camp David path must be at an end.

SAWT AL-SHA'B: Do you feel that you are completely free to carry out your political activities in Egypt?

Khalid: Concerning the freedom of expression in our newspaper and our party meetings, there is freedom. But I do not believe that this means complete freedom. I believe that genuine freedom lies in equal means. For example, the ruling party should not monopolize the national newspapers because the newspapers are not its papers and are not published by it. All writers of all persuasions should be allowed the freedom to write in these national newspapers, which should also publish statements by various parties. The same thing can be said about radio and television. We and others should be allowed to voice our opinions on current issues every week. In addition, the ruling party monopolizes the process of extending services to the people through the executive departments. Therefore, I assert that there will be no democracy without equality. It may be said that the people gave more votes to one party than to the others, but this does not mean that the majority party should obtain more rights than others in voicing its opinion in front of the people. I would like to point out here that the most important guarantee for stability in any society is democracy. No genuine democracy is possible unless there is a majority party whose members genuinely feel that they won a genuine majority, not a majority based on pressure and fraud.

I would like to say that had there been no fraud in Egypt's recent elections, our party would have won many more votes than the ones declared. The fraud came when votes that were not obtained in the election process were added to the votes won by the ruling party. Had they been committed to the real number of votes, we would have had a better chance. However, the ruling party would have won a majority in any case.

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PETROLEUM MINISTER AFFIRMS INTENSIFIED DRILLING PLANS

Cairo THE EGYPTIAN GAZETTE in English 13 Jan 86 p 2

[Text] THE Minister of Petroleum and Mineral Resources, Mr. Abdul Hadi Kandil, yesterday affirmed that oil drilling and prospecting operations will be intensified this year, especially in the Western Desert and for the first time in deep waters of the Mediterranean and the Red Sea. Initial agreements to this effect were signed with the US company AMOCO and the French company "TOTAL", he said.

He stated that there will be no increase in the production of crude oil from the currently operated fields, as the Ministry's policy is directed mainly to increasing the volume of reserves which at present amount to 3,000 million barrels.

"We are keen to have a fixed volume of oil reserves", said Minister Kandil. "Accordingly," he added," Increasing production will never be the way to compensate for the severe drop in oil prices in world markets, which affects Egypt's foreign currency." revenue. The Minister further pointed out that this year's production will reach 300 million barrels, and will meet requirements for local consumption.

Efforts are now being exerted to attract specialised international companies in the field of oil prospecting to work in Egypt, said Mr. Kandil. Attention is also directed to encouraging companies searching for natural gas to meet the increasing needs, especially as the volume of consumption has risen from 44 million cubic metres in 1975 to 5 million cubic metres in 1985, he said.

A national unified network connecting natural gas fields with factories and power stations is currently being established, together with a control centre, to transport natural gas to meet the requirements of one million subscribers, 19 industrial companies and 10 giant power stations, said Mr. Kandil.

Concluding, Mr. Kandil said that the petroleum sector has succeeded in reaching targets set by the five-year plan for 1985, and new petroleum products were introduced for the first time." GSS

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CSO: 4500/67

CAIRO SECURITY DIRECTOR ASSESSES ANTINOISE CAMPAIGN

Cairo THE EGYPTIAN GAZETTE in English 15 Jan 86 p 3

[Text]

A CAMPAIGN to reduce the noise level in Cairo is currently being implemented, according to Major General Mustafa Kamel, Security Director of Cairo. He further indicated that the use of automobile horns, a major concern, is already prohibited in a number of areas of the city. According to recent statistics, however, the number of automobiles unnecessarily using their horns in the city reached approximately 5,000 automobiles within a ten-day period.

This campaign is also designed to compel factories, weddings, parties, funerals, and other sources of noise to confine the noisy activities to specific hours or to cease the noise altogether. Major General Kamel also said that the campaign to reduce the noise level is pursuant to the instructions of the Minister of the Interior, Major General Ahmed Roshdi, who requested that the noise level in the capital city be minimised in order to restore quietness to the streets of the city for the enjoyment of both residents and tourists.

Major General Kamel further indicated that the campaign will also include restoring discipline to the streets and parking areas in the city in order to minimise the traffic problems. This will alleviate the frustration felt by many drivers, who, in such situations, resort to the use of the horns of their cars.

Currently, the penalty for the first offence for the illegal use of automobile horn is a fine of LE 5, for the second offence, LE 10, and for the third offence, the suspension of the driver's licence for a period of three months.

For this campaign to succeed with respect to the automobile horn noise problem, the following measures should be implemented : the penalties for the illegal use of a car horn should be strictly enforced by

security officers; and the penalties for the use of horns by bus and taxi drivers should be double that of the fines assessed for an individual's offence, as these drivers are more prone to use the horns on their vehicles unnecessarily.

In connection with the campaign and its effect upon weddings, parties, funerals, and similar sources of noise, these activities should be confined to specific areas and specific periods of time. In the event these time and place requirements are not met, security officers should be notified to speak with a representative of the offending situation and advise him to either reduce the noise to an acceptable level or to draw the function to a close.

The campaign should deal with factories in the following manner. Each factory should be contacted by a representative of the Office of the Security Director, assigned to this campaign. A decibel level as determined by the Office of the Security Director will be suggested to the factory. Each factory will have a period of 90 days within which to reduce its noise to the prescribed level. If, after the said period the factory exceeds that noise level, it will be assessed a daily fine, as determined by the Office of the Security Director. Such fine will continue to be assessed for a period of 30 days. If by that time, the reduced noise level has not yet been reached, the factory will be closed for all business, except for using whatever measures necessary to reduce its noise level as requested by the Office of the Security Director.

Implementation of the foregoing items will require diligence on the part of the campaign, patience on the part of individuals, and resourcefulness on the part of factory owners in order to determine the most economical, efficient methods to reduce its noise levels. With the cooperation of all concerned, Cairo will become a tranquil city for the enjoyment of all.

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CSO: 4500/67

CULTURE MINISTER SETS MEETING ON FILM STANDARDS

Cairo THE EGYPTIAN GAZETTE in English 15 Jan 86 p 2

[Text] THE Minister of Culture, Dr. Ahmed Heikal, yesterday said at the People's Assembly session that the Minister has arranged several meetings with artists to discuss with them the danger of making films of lowartistic taste which are detrimental to society.

The Ministry, he said, is arranging awareness campaigns for the employees of the artistic variety censorship body, through organising training courses to be attended by critics and men of thought, to deal with the role of censorship of low-taste productions.

Dr Heikal pointed out that within the past six months licences for more than 60 films were turned down and more than 70 foreign films were censored.

He went on to say that a committee has been formed to follow up film production in the coming stage in order to preserve the required artistic standard. He confirmed that the censorship body will review films which are being shot and said that a large number of scenes from about 200 films had been deleted.

He further said that good quality production will be encouraged through granting prizes. Elaborating, he said prizes are allocated for twelve films to be chosen by an ad-hoc committee.

The Minister added that film producers are granted credit facilities by banks as a sort of encouragement to produce films of high artistic quality.

In the field of dramatic performance, the Ministry has started activating its theatrical companies. Certain theatres are also undergoing renovation processes, said the Minister.

Mr. Saad Eddin Wahba, a House Member called for working out a five-year plan to develop studios established since 1949. He also called for devising a plan in collaboration with local bodies, to establish cinemas in their districts and appealed to the state to return to the field of film production, undertaking the responsibility of large films which the private sector would not be able to produce. — GSS

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CSO: 4500/67

NDP WORKS OUT LAND RECLAMATION BILL

Cairo THE EGYPTIAN GAZETTE in English 20 Jan 86 p 2

[Text] The National Democratic Party (NDP) has worked out a unified bill for state owned barren and reclaimed land, to overcome difficulties facing citizens as regards the purchase of such parcels of land. Deputy Premier and NDP Secretary-General, Dr. Yousel Wali, said that the new bill aims to allocate a special body to take the necessary measure to selling land, whereas at present several bodies are concerned with this task. He affirmed that the new law will provide many facilities in land reclamation operations.

Meanwhile the Chairman of the NDP Committee for Agriculture and Irrigation, Mr. Ahmed Abdul Akhar said that the body to be concerned with selling the land will be called the Agency for State Property. It will be affiliated to the Ministry of Agriculture and will be mainly concerned with supervising barren, and reclaimed land, their management and selling operations. The bill allocates 200 feddan for the individual 300 for the family and 10 feddans for the Cooperative Society.

The bill gives priority in owning desert and reclaimed land to graduates of faculties, institutes and schools of agriculture, demobilised soldiers, families of the war dead and small farmers. The same priority is also given to public sector employees on leaving service and those working in agriculture cooperatives.

In order to guarantee seriousness in utilising the land, the bill obliges citizens to cultivate the land within five years from the date of the provision of water. In case of non-adherence to this term the contract is considered null and void.

The draft law provides for establishing a fund for collecting amounts raised from the utilisation of desert and reclaimed land to be directed to land-reclamation projects. At the same time the state will provide loans to owners of this land.

The draft law stipulates the right to sell houses and establishments set up by the government in desert and reclaimed areas, to the people.

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CSO: 4500/67

EGYPT

SOCIAL CONDITIONS NECESSITATE NEW NASSERISM

Cairo ROSE AL-YUSUF in Arabic 6 Jan 86 pp 18-19

[Article by Jamal Salim: "The New Nasserism?"]

[Text] The anniversary of Jamal 'Abd-al-Nasir's birth on 15 January 1918 has occasioned many opinions and ideas as to the future of Nasserism, particularly during this stage of colonialist expansion and national liberation movements, an era in which a new, multi-formed struggle has arisen between democracy and traditional demands for self-determination and autonomy on the one hand, and the use of violence against violence and terrorism against terrorism in Third World countries, on the other hand.

Inasmuch as Nasserism originally arose as a national liberation movement in the precise sense of the term and plunged into its early struggles under this slogan, this gave it a certain social orientation, beginning with Egyptianization and then nationalization. At that time, the July Revolution found the path clear towards building socialism, and took its first steps with the socialist resolutions of July 1961, which were later reinforced by the August 1963 resolutions.

Prior to the July Revolution, conditions in Egyptian society were lamentable, for the society was subject to two pressures. First of all, it was a slow-growing society which, according to statistics, had been in a state of total stagnation for 40 years, from 1913 to 1953. During this period, the average growth rate had been no more than 1.5 percent a year, and that rate was being wiped out by the population increase. This means that during those 40 years, no noticeable changes had occurred in Egyptian social conditions.

Secondly, as 'Abd-al-Nasir mentioned in his 18 March 1967 speech to the production conference, this society was severely imbalanced, and this had aroused class conflict. Suffice it to say that one-half of one percent of the population was earning half the total national income.

Thus the socialist solution inevitably imposed itself as a way to social and economic progress.

What is this socialist solution? Rather, what is socialism? Is it heresy, as some say? Is it a philosophic imperative? Is it equality in poverty and starvation?

'Abd-al-Nasir said, "In the final analysis, socialism is a happy home for every family, in which those family members, male or female, who are capable or prepared to work will do so. It is a home receptive to health, education and culture, sheltered from surprises by social security, interacting with other happy homes, and sharing with them a general concern for the affairs of their homeland, their nation and the world in which they live."

Of course, socialism cannot be achieved through good intentions, and the happy home can never be built by prayers and faith alone. The wealth must be redistributed between the small percentage which earns half the society's income and the 95 percent which earns the remaining half. Naturally, this small percentage will not give up its privileges easily, and therefore the July Revolution had to choose between joining up with the one-half of one percent or with the 95 percent of the popular masses. Which would it side with? The feudalists did not concede the need to redistribute the wealth, and some of them rose up in arms against the revolution. Soldier revolutionaries can accept everything except the act of bearing arms against them; in fact, proponents of change generally accept everything but that. At the time, they could find no way out of bearing arms, since how could the feudalist justify his and his family's bearing arms while refusing to accept the same from others?! This small point was the basis for the excesses for which the July Revolution has been denounced.

Regardless of this or that denunciation, the July Revolution was not immune from mistakes. Of course excesses occurred; of course injustices took place. This is not to indict the July Revolution, but to indict those who took up arms against it, opposed it, and tried to abort it--something which later overtook those who launched the Tripartite Aggression and subsequently the June 1967 war.

During the course of the July Revolution there were many achievements which cannot be denied, neither by the enemies of the July Revolution and those who ambushed its achievements nor by those who denounced and opposed it. As for the masses, they voiced their support, commitment and adherence to the July Revolution and its leaders on 9 and 10 July 1967, and also when they bade farewell to their leader upon his death in September 1970. It is these same masses, and the new generations thereof, who today put up pictures of Abd-al-Nasir everywhere, repeat his name, and pray over his body laid in his grave on Caliph Ma'mun Street. These masses themselves are the true balance-sheet of the Nasserite movement. They will never forget a single word of the National Action Charter, the March 1968 statement, or the words of 'Abd-al-Nasir. These same masses are ardently approaching the point of merging into an affirmative Nasserite movement in the society, in the future, and in the constant

confrontation with the enemy for the sake of the July Revolution's achievements: national independence, economic liberation, escape from the Western sphere of influence, Egypt's Arab-African identity, true commitment to and support for national liberation movements, the public sector, heavy industry, agriculture, free education, family planning, and so forth.

The New Nasserism

The new Nasserism did not arise from a vacuum, nor was it reborn from the past. Its existence is not an extension of long-standing commitments to the organizational formations of the July Revolution, and owes nothing to the loyalty of those officers who had been part of the July Revolution, comrades of 'Abd-al-Nasir, or even members of the Revolution Command Council, the old guard of the revolution, or the Free Officers. The new Nasserism believes that all of these people have disregarded and violated the ideals of 'Abd-al-Nasir because of their pursuit of power. They were power seekers and administrators, and nothing more. They were not revolutionary comrades, but merely employees who, in the absence of democracy, were transformed into leaders and officials. They sought help from the old regime's extinct tools and personages, who were opposed to change by their very nature and history, who despised the masses and constantly feared progress.

This is what distinguishes the new Nasserism from that dogmatic Nasserism which clings to the literal meaning of the July Revolution's charters, which lives in the past, which does not believe in the new era, the new generation and the new reality, and which disregards modern changes.

Traditional Nasserism, as embraced by the remnants of the old Revolution Command Council and the Free Officers, believes in the alliance of the forces of the working people. We also believe in this alliance. But what does alliance mean? Their concept of alliance is fixed, while ours is variable.

When 'Abd-al-Nasir spoke of migrant workers, they existed; there were from 3 to 4 million such workers. Where are they now? Today's peasant is not the peasant to whom the revolution gave land in September 1952. Today's peasant is not a slave to the land; his love for the land is dwindling, and his desire for ownership has slackened. He has left the land and gone overseas, where he now works for dollars. In his home there is a color television, a refrigerator, and a cassette player. There are always customers in the free market and the open city of Port Sa'id.

Today, the problem in the countryside is not ownership, but production, poor planning, subdivision of landholdings, and the absence of a revolutionary agricultural cadre to guide agricultural work and production through state agencies such as the Ministry of Agriculture and Agrarian Reform, the schools of agriculture, and the agricultural research centers.

In Egypt, a feddan produces 7 ardabs of wheat, while in India the feddan produces 57 ardabs of wheat. Why?

The real problem in the countryside right now is its backwardness. The rural areas are still living in the first century A.D. The shadouf, the water

scoop, the scythe, and dairy and meat animals are still the basis of rural work, with rare exceptions. More specifically, no more than 20 percent of rural farmlands have been mechanized; in other words, more than 4 million feddans of farmland are being cultivated by primitive, backward techniques.

Is today's worker the worker for whose sake the various labor and social insurance laws were passed?

In today's society there is a new class or group which is even poorer and more miserable than the working class, the peasant class, or the migrant workers: the employees. Was the employee of 1952 (the year of the revolution) the same as now?

Numerous examples lead us to propose the idea of alliance in its old sense. Today an alliance must be forged among groups and classes whose basic interests do not conflict.

What we, the new Nasserists, are saying is that today we are living in the final years of the twentieth century, at a time when laser beams can shoot down a satellite floating in space. In 1952 there were no such satellites; there was only one moon. In 1986 there are hundreds of satellites in space, while the single, solitary moon has been revealed as a ball of rock which is being studied for the possibility of life on it.

In 1952, the flags of France and England waved over the capitals of many Middle East countries, whereas now there is not a single foreign flag in the region except for the Israeli flag. All the flags are national flags.

Therefore, our outlook differs from that of the old Nasserites.

We hold that social change cannot be achieved through armed revolution--that change must be brought about democratically. In assessing the July Revolution, we claim that its disregard for the democratic stage is what brought down all these negative aspects upon it. For this reason, we concentrate on democracy.

The new Nasserism speaks of democracy in building the party and the society, while it might be said that traditional Nasserism follows the methods of election and appointment.

We do not trust a leadership we have not chosen; we trust the masses to choose it through direct, free elections.

We denounce appointment, and we are suspicious of it in popular agencies and state legislative organizations.

The new Nasserism also does not believe in tutelage. There are no regents in the new Nasserism, not even from the family of the glorious leader, Jamal 'Abd-al-Nasir. Rajiv Ghandi did not become the leader of India because he was the son of Indira Ghandi, but because he was a son of India's Congress Party. He grew up in the party, experienced its problems, and helped build it. He did not come down to the masses from above, but came up from their ranks. For this reason, we consider party work a basic mainstay, and a passport to the various leadership positions.

The new Nasserism believes in another important thing: complete rejection of one-man leadership. Leadership should be collective. It is true that there must be someone who speaks for the party and represents it, but any decision, trend or opinion must issue from the collective body.

The new Nasserists have different theories about fundamental social issues such as the public sector, ownership in society, production, investment, education, and others, which will be dealt with in a coming article.

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BRIEFS

BEDOUIN SETTLEMENTS--Aid worth 7,700,000 dollars in the form of fodstuff will be offered for the sake of settling the bedouin of Sinai, according to an agreement signed yesterday by Egypt and the World Food Programme. The agreement, which is valid for four years, will cover 3,500 families. They will be encouraged to establish productive projects such as fodder production and the cultivation of pastures in an area of 7,000 feddans between Arish and Rafah. By virtue of the agreement, agricultural units depending on the cultivation of olives and citrus fruits will be established. [Text] [Cairo THE EGYPTIAN GAZETTE in English 13 Jan 86 p 3] /13104

CSO: 4500/67

BRIEFS

SPANISH BANKS IN ENCLAVE--Mellilia, 24 January (MAP)--Spanish banks in Mellilia (a Moroccan northern town still under Spanish rule) informed their Moroccan customers that their checking accounts will be frozen as of 31 January unless they regularize their residence status as required by the newly passed law on aliens. This new measure has sparked a real panic and the Moroccan community began withdrawing its savings from Spanish banks. Under the new Spanish law on aliens, even the Moroccan community living in Mellilia and Sebta (another Moroccan northern town still under Spanish rule) are required to be in possession of a "residence licence" as any other foreigners. The Moroccan community strongly opposed this new law arguing that it is living on its national territory and cannot therefore be considered as a foreign community. [Text] [Rabat MAP in English 1229 GMT 24 Jan 86 LD] /12913

NORTH AFRICA MOROCCO--Rabat, 9 January 86 (MAP)--The value of Moroccan exports has increased despite the reflections of the deterioration in world economy and the rise in the international interest rates. This came in a report submitted yesterday by the Moroccan minister of trade and industry, Tahir al-Masmudi, to a meeting of the Council of Ministers in Rabat. The report said that Moroccan exports rose in the period 1973, 1984 from 3.7 billion dirhams to 19 billion dirhams and to more than 21 billion dirhams in 1985, thus recording an average annual increase of 18 percent at current prices. Also the modern Moroccan and traditional industry rose from 18.6 percent to 37.5 between 1975 and 1980 and from 37.5 percent to 53.3 percent from 1980 to 1985. [sentence as received] The widening of the EEC with the admission of Spain and Portugal, the two main rivals of Morocco in some agricultural produce, and the protective position of some EEC members could lead to the reduction of the size of Moroccan exports, a matter which called for measures to deal with the situation in the interest of our external trade by doubling production and seeking new international markets. [Text] [Rabat MAP in Arabic 1530 GMT 9 Jan 86 LD] /12913

CSO: 4500/65

MZALI ON DEMOCRACY, RELATIONS WITH U.S.

PM241201 Paris LIBERATION in French 20 Jan 86 p 29

[Interview with Tunisian Prime Minister Mohamed Mzali by Bernard Cohen in Tunis--date not given]

[Excerpts] LIBERATION: Now, 30 years after independence, it seems that all the pillars of Tunisian society are crumbling: The universities are paralyzed, the Tunisian General Federation of Labor [UGTT] is in chaos, and the law on the status of women drawn up by Habib Bourguiba is opposed by young people influenced by Islamic Fundamentalists....

Mohamed Mzali: It is natural for the development of a free and independent society to produce problems and conflicts; the same happens in a family. But this is not a threat to this country's stability or cultural choices. In the universities the fashion for strikes has not yet disappeared as it has in France and the United States, but it will disappear. Moreover the "code on the status of the individual" [which has conferred certain freedoms on women since 1956--LIBERATION editor's note] has not been questioned even by those representatives of a particular religious movement with whom I have spoken.

We are working to find jobs for young people, particularly young university students because, thanks to our achievements, we now have young lawyers, doctors, engineers, and possibly even too many of them. Education must be adapted to the economy's needs. The economy is facing real problems: When our raw materials are sold at lower and lower prices and the goods imported from the rich countries are increasingly costly, how can we extricate ourselves from this situation? Oil is falling in quantity and prices, our citrus fruits, wines, and textiles are faced with protectionist trends in the Common Market.... The rich countries are growing richer and the poor countries are becoming indebted. This is the problem.

LIBERATION: For 6 years now you have been personally involved in "democratizing" public life. However, your bill on political parties is now rejected by the whole opposition. So how can next November's parliamentary elections be held in the right conditions?

Mohamed Mzali: My aim is to reconcile the need for development and labor discipline with the need for freedom, and this is not always easy. It requires what Montesquieu called "virtue" from the citizens. It takes several forces to make a democracy just as it takes two to make a marriage.

At present four parties are recognized under the 1959 law. We have drawn up a new bill, we have received replies, and are going to have discussions. In any case we are moving toward democracy with or without this law. I have said that I hope next November's elections will take place in favorable conditions, and I would even like to say that I wanted them to take place in 1981.

LIBERATION: Tunisia has just suffered two serious blows at the international level: the crisis with Libya and the Israeli raid on the PLO headquarters in Tunis. Have things deteriorated between you and your American allies?

Mohamed Mzali: This term needs to be clarified. We do not have any allies, we have friends. It so happens that during the independence struggle the United States supported us against French colonialism. When we could not find arms elsewhere, it sold and gave us weapons. It also so happens that President Bourguiba has always believed the Western camp is that of freedom. During the Vietnam War and at the time of certain East-West tensions, he was on that side without ever signing an alliance agreement with anybody. We are friends of the United States as we are of France, and that is why the president was appalled by the American approval of the Israeli raid on 1 October 1985. And, unlike other Arab leaders who make loud boasts, he summoned the U.S. ambassador and told him: "If the United States votes against us (in the UN Security Council--LIBERATION editor's note) I will break off relations with you." The fact that it abstained heartened him. But the Tunisian people realized that although we are friends of the United States Israel is its spoilt child. We have now realized that Israel struck at Tunis because the United States was on Israel's side. That is a blow but there can be no question of going to war with any superpower.

We do not need to reconsider things because we are still free to make our own decisions. We were shocked, and it took a great deal to keep popular discontent within civilized limits, and to avoid a repetition in Tunis of what happened after the June 1967 war when the people set fire to the synagogue and the British Embassy. I understand the anger of the young people and intellectuals in Tunisia but we are responsible for the lives and property of our friends in Tunisia.

LIBERATION: What is the state of relations with Libya?

Mohamed Mzali: They are at a standstill. This summer thousands of Tunisian workers were expelled from Libya and robbed of their property. We are demanding that their property be returned, and that our traders and businessmen be compensated. On this condition, and provided the Libyan stop terrorist activity against Tunisia, relations can return to normal. And it will take time for this dispute to die down, because the Tunisian people have been deeply shocked. The restoration of diplomatic relations can only come later.

We have clearly shown our opposition to terrorism in general. Unfortunately there are training camps for fighters and terrorists in Libya; it is possible for fighters to go and fight on the lands stolen from them (by Israel--LIBERATION editor's note) but we are opposed to them attacking people in Paris, Rome, or Vienna. That is why we refused to allow hijacked aircraft to land here.

SICAT COOPERATES WITH PLAN FOR DECENTRALIZED UNIVERSITY

Tunis LA PRESSE DE TUNISIE in French 6 Dec 85 p 2

[Text] SICAT 85 [International Automobile Components Show of Tunisia], which is ending today, deserves credit for stating problems clearly and precisely without indulging in exaggerations and overblown cliches. Even at the risk of creating some dismay, everyone used clear statements and often spoke the naked truth. Mr Abdelaziz Ben Dhia, minister of higher education and scientific research, told the seminar on "the University and Industrialization," held yesterday at the Palace of Congress in conjunction with SICAT, that "in developing countries the organization of research must clearly pursue the goal of efficiency. Hesitation, a poor division of authority among the various parties, the scattering of human and financial resources, and the absence of decision-making centers would eventually produce--it it has not already happened--a considerable loss of time." Does this mean that we have reached an impasse? Only for people imbued with "a hopeless spirit of fatalism," said Mr Ben Dhia. The Tunisian university system must be changed, both structurally and organizationally. The goal is to make the university a true agent for development designed to play a dual role: to prepare for the new technological generation, and to promote the development of national actions focussed on solving the problems of the nation's economic and industrial growth.

What forms will the university reform take to meet these multiple challenges?

The Business Community Will Finance the University System

The plan advocated and developed by the minister of higher education and scientific research to better integrate the university with its environment, acting particularly through research, will involve business. Business will participate in university administration in several different ways. The business community will help to finance the university system, will take part in its administration, and will work out instructional programs in cooperation with the university. The dual role of financing and administration will be handled on a regional basis, especially as the Sixth Plan's sector commission recommended the establishment of six university regions, each including

all specialties and major fields of study in higher education. In this way, according to Mr Ben Dhia, university financing should be handled on both regional and national levels.

On the regional level, each business will be asked to contribute to a regional university fund. The rate to be applied to its annual net profits still remains to be set.

Profitable Research Contracts

In addition to business contributions to the financing of the university's operations, universities could also sign contracts with public or private enterprises to handle their training programs upon request. They could also sign research contracts with the state and even with private parties. As the minister said, the essential factor in this university reorganization is that the university-business interaction be considered of vital importance.

What conclusions can be drawn from this? It is certainly time to proceed with increased decentralization and integration of the university system, especially as the creation of industrial zones and industrialization itself are now facts that form part of our economic landscape. The SICAT, whose goal is to develop this industrial fabric by identifying and creating projects, has thus found in the university reorganization plan a foundation and a stimulus worthy of its efforts.

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CSO: 4519/44

TUNISIA

COOPERATION WITH SENEGAL IN EXHAUST PIPE PROJECT

Tunis DIALOGUE in French 9 Dec 85 p 23

[Text] A young Tunisian industrial entrepreneur in the automobile components field has just made a name for himself both in exports and in south-south cooperation.

Mr Ezzeddine Karoui, the head of SIMA-Tunisia, a Tunisian firm in Medjez El Bab which makes automotive exhaust pipes, has signed an agreement with Senegalese partners for the joint establishment of an exhaust pipe assembly plant in Senegal. The Tunisians will hold a 49 percent share in the plant, with the Senegalese partners holding 51 percent. Moreover, the agreement calls for the assembly of exhaust systems using parts provided by Tunisia. Here we should mention that SIMA-Tunisia provides 100 percent integration of these systems. The plant is to be located in the industrial area of Thies, about 70 kilometers from Dakar.

Through their colleague, Tunisian businessmen have just proved that they can be daring, and that they have sufficient boldness to reach out to win new markets. Bilateral intergovernmental agreements, particularly with the African nations, provide an ideal setting for this type of undertaking.

This shows that internal southern hemisphere cooperation is not an idle fancy, and that people simply need to take some trouble and demonstrate their imagination, courage, and determination in order to carry out the wishes of all the developing nations--to set up a true flow of exchanges on all levels.

One step has now been taken: now it is up to everyone with the means and the ambition to continue such efforts. We think Tunisia has many such people.

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BRIEFS

AUSTRIA CANCELS ENTRY VISA EXEMPTION--The Austrian Government decided to unilaterally halt the application of the currently valid agreement with Tunisia which exempts Tunisian citizens from requiring entry visas to Austria. [Text] [Tunis Domestic Service in Arabic 2300 GMT 21 Jan 86 LD] /12712

CSO: 4500/63

IRAQ

AHVAZ LIBERATION FRONT CFFICIAL DENOUNCES KHOMEYNI REGIME

Baghdad AL-YARMUK in Arabic 25 Aug 85 p 3

[Interview with Husayn Madi Hasan, secretary general of the Arab Front for the Liberation of Ahvaz, by 'Abd-al-Husayn 'Abd-al-Razzaq; date, place not given]

[Excerpt] AL-YARMUK held an interview with Husayn Madi Hasan, secretary general of the front, in which he said:

The front burst out as a result of the struggle of the people of Ahvaz ever since the feet of the Persian occupiers first trod the soil of Ahvaz. The front is regarded as the lawful representative of the people of Ahvaz following the unification of all the revolutionary cells.

The front has basically relied on building the individual and preparing him for the viciousness of the assault to which the people of Ahvaz are exposed.

Since the founding, the front's fighters have penetrated numerous operations that the enemy tried to carry out in our land of Ahvaz. This happened after the Khomeyni regime refused to recognize our national rights. We had hoped to obtain these rights, but Khomeyni began to follow in the footsteps of his predecessor the Shah.

[Question] Are there other fronts or cells operating along with the front?

[Answer] As we have said, the front is the lawful representative of our people in Ahvaz. If there were other movements, which actually do not exist, they would lead to the fragmentation of the revolution's forces and thus strengthen the enemy.

The proliferation of fighting cells is not to the advantage of the revolution since the result is only to serve the enemy. Furthermore, we are not involved in a class struggle, but a national one. We are not fighting to overthrow a regime, but to liberate the land and achieve our sovereignty over it.

We are an Arab people that has its own Arab identity and is an extension of the Arab people. If we study Ahvaz from the geographical point of view we see that Ahvaz constitutes a natural continuation of the plains of Iraq.

[Question] It is well known that the people of Ahvaz played a big part in overthrowing the Shah's regime. Do we know what this role was and howe it was rewarded by the Khomeyni regime after the Shah's fall?

[Answer] We already have said that the people of Ahvaz spared no effort to overthrow the Shah's regime. They were prompted by the hope that the Iranian opposition movements would recognize their right to the sovereignty that in fact had been wrested from them. The people of Ahvaz cooperated with the movements that opposed the Shah's regime and the Ahvazi rebels obstructed the flow of oil, halted operations in the ports, and carried out other operations that inflicted damage on the Shah's regime.

After the Shah's departure and the advent of Khomeyni the people of Ahvaz formed a delegation headed by Sheikh al-Khaqani. It went to Tehran to meet with the impostor Khomeyni and set forth the Arab rights. Khomeyni, however, refused to receive the delegation and recognize the Arab rights in the Ahvaz region. He said that Ahvaz was an Iranian region and that its inhabitants were not Arabs, but a people who had been Arabized. Khomeyni repaid our great efforts in the revolution by carrying out the Black Wednesday slaughter, when the Iranian Navy bombarded the people of Ahvaz while Khomeyni's militia committed atrocities and carried out killings in which more than 300 inhabitants of Ahvaz were martyred. I should like to mention here an important act, which is that the Khomeyni regime refused to grant the Kurds their right to autonomy because it already had refused to grant the Arabs their rights.

[Question] How have the people of Ahvaz received the revolution?

[Answer] We believe that every Ahvazi has been affected, naturally. The conditions of suffering and repression endured by the people of Ahvaz were enough to make them rebel against the Iranian occupation authorities to bring about the Arabs' control over their land.

If we wish to speak about the reception of the revolution by the people of Ahvaz, there are innumerable testimonials that assure us that the people of Ahvaz did not have a day's respite and did not submit to the occupation. Rather, it was the policy of repression followed by the Iranian authorities that was behind the revolution's failure to achieve its objective. Wherever they may be, the people of Ahvaz are the substance and the strong right arm of the revolution.

[Question] What is the level of your confrontation of the occupation authorities inside the country?

[Answer] Our confrontation inside the country is at a rather high level. But the widespread propaganda carried on against our revolution has been the reason why the activity of our guerrillas has not become very noticeable and apparent to the world.

In this connection we take the opportunity to rebuke our Arab brethren working in the information field, for the Arab information media continue to distance themselves from our cause and have not espoused it as they should have done.

All this is happening while the enemy is launching large-scale information campaigns to get the world to believe that this land is an Iranian one.

[Question] To what extent are the Arab countries cooperating with you?

[Answer] The Arab position toward us has not yet crystallized in a clear fashion. This is true despite our continued attempts to get our brethren in Arabism to espouse the cause of Ahvaz as one of the vital causes of the Arabs. The only Arab country that is supporting us is Iraq, which has supplied us with everything we need in our revolt against the enemy.

[Question] It has been said in the past that some of the people of Ahvaz opposed the Iraqi Army at the beginning of the war. How much truth is there in these rumors?

[Answer] We should not overlook an important matter when we reply to this question. It is that the people of Ahvaz in present circumstances are subject to the provisions of Iranian law and consequently are obliged to perform military service in the ranks of the Iranian forces. It maybe that some Ahvazis have taken part in fighting on the side of the Iranians. However, they have been few in number, so we cannot establish the fact that the people of Ahvaz fought against the Iraqi forces, which never happened [sentence as published]. There is another matter also, which is that some of those whom Iraq deported to Iran because of their Persian antecedents took part in the fighting against the Iraqi forces. They were speaking Arabic because they had a command of that language. This caused some people to imagine that the people of Ahvaz fought against the Iraqi forces.

I should like to mention here that many of the people of Ahvaz determined not to join the Iranian forces when the war broke out.

[Question] How does the Khomeyni regime treat the Arab clergy?

[Answer] The Khomeyni regime did not treat the Arab clergy any better than the people of Ahvaz in general. The clergy may have been treated worse, for they were subject to strict surveillance and were forbidden to express their opinions about anything that happened.

In fact, this matter is an example of the Khomeyni regime's misconduct and arbitrariness, and of its policy in Ahvaz. This regime has followed a course of impoverishing and starving the people of Ahvaz at a time when Iran's exports of oil produced in the Ahvaz region constitute 85 percent of all of Iran's exports of oil.

Khomeyni has followed an arbitrary policy in the field of education. He has forbidden the Arabs to enroll in institutes and colleges unless they have cooperated with the regime.

In addition, this regime is now trying to carry out the previous regime policy of Persianizing the names of the districts of Ahvaz, as well as personal names.

12541/9312
CSO: 4404/172

INTERVIEW WITH CHIEF OF CIVIL ADMINISTRATION FOR TERRITORIES

Tel Aviv BAMAHANE in Hebrew 25 Dec 85 pp 11-14, 48

[Interview with Colonel Dr Efrayim Sneh, head of the civil administration in Judaea and Samaria, by Yosef Argaman: "Disillusionment, Yes; Acceptance, No"; date and place not specified]

[Text] At the completion of half a year as head of the civil administration in Judaea and Samaria, Col Dr Efrayim Sneh says that the residents of the area are becoming disillusioned with terror. He believes that there is a feeling of exhaustion among them and anticipation of a political settlement in the region. This is the first interview with the younger Sneh, 41 years old, the son of Dr Moshe Sneh and a physician in his own right, formerly commander of the medical force at Entebbe, commander of an operational unit, and commander of the South Lebanon region. His specialty, by the way, is in internal medicine and allergies.

[Question] Colonel Sneh, a week ago I heard an interesting definition relating to the composition of Israeli forces operating in Judaea and Samaria: "The good, the bad, and the ugly". The good is the civil administration, the bad is the army, and the ugly is all other security bodies that operate here. Going beyond the superficialities, do you agree that you, the administration, play the part of the good guys, as per the definition?

[Answer] No. I believe that the security systems here complement one another. That is: the civil administration, the BATASH, and the security branches. Each body plays its part in the overall scheme of things. It is true that we also are involved in providing services and in development, and we could thus be considered "good"; but we are also a system of enforcement, a system of restraint. We are an administration from every point of view--the positive and, to a certain extent, the negative. Therefore that definition is a bit simplistic. I would agree that our main task in the civil administration is assuring the regular services, developing the infrastructure, and raising the standard of living.

[Question] How would you summarize your first 5 months in this job?

[Answer] First of all, they were 5 start-up months. I learned the area.

[Question] In fact you came from Lebanon; you have a Lebanese background.

[Answer] That is right. I was commander of the South Lebanon region for a year and a quarter.

[Question] After we left Lebanon, Lebanese phenomena began to occur in Judaea and Samaria that hinted at the development here of another South Lebanon. There were road- side bombs, shots fired from ambush, and more aggressive behavior. People felt they had learned that it might be possible to kick the Jews out thrcugh continual acts of terror and murder. Do you feel there is any possibility that a second South Lebanon will develop here?

[Answer] No. I would not make that comparison, and there is no parallel between the problems of field security in this area and those of field security in South Lebanon. I do not think, for various reasons--and I cannot go into all of them--that a situation could develop here similar to that in Lebanon in the years 1983 and 1984.

[Question] Why not?

[Answer] I just said that I cannot go into some of the reasons.

[Question] There are those who say that here in Judaea and Samaria "it is an entirely different story." That is, the Palestinians lived under Turkish, English, Jordanian, and now Israeli conquest. They say that they got used to living in a situation of conquest, and therefore there will not be a South Lebanon here. But that is not really on target, because they do not reconcile themselves to this situation.

[Answer] It is difficult and perhaps impossible to draw parallels between Judaea and Samaria and South Lebanon. There is a whole gamut of reasons why, some of the operational, which I cannot go into here. But there is one basic reason which is not technical, the essence of which is that the local population does not believe that terror of this sort or any other will solve the problem or put an end to our presence in the area.

[Question] That is how you feel today?

[Answer] To the best of my knowledge.

[Question] Nevertheless, since Lebanon or during the course of the war in Lebanon, the attacks have increased here. Hardly a Sabbath passes that I do not turn on the radio to hear about a stabbing, an attack, or a riot. How do you explain that in the light of what you just said?

[Answer] There are several reasons for that increase. One is a result of the fact that, at the time, the operational capability of the organizations, in particular Fatah, was greater because of the physical proximity. A second reason is that certain groups--especially among the young here--showed greater readiness and greater daring in carrying out strikes. Those are the two main reasons.

[Question] Does not the fact that there are a great many highly educated young people here, graduates of six universities, who cannot find jobs, create a kind of intellectual-nationalist pressure cooker? What importance does the civil administration attach to that fact?

[Answer] The academic unemployment is certainly one of the socio-economic problems that cause unrest. But I would not say that it is one of the main reasons for the increase in attacks. If you look at who the attackers are, you find that they do not include many unemployed academics. If, for example, you take the infamous Surif cell, you will see that most of them have a criminal background and are very far from academia.

[Question] Nevertheless, from the point of view of the civil administration--and not, I would stress, from the field security point of view--how do you explain the recent wave of attacks, murders in cold blood, shots at automobiles? Is this wave of attacks not the result of some weakness of the civil administration that has not managed to solve the socio-economic problems of Judaea and Samaria?

[Answer] I do not think that the recent wave of attacks is because the socio-economic problems were not solved. That is not the reason. It is the result of nationalist feelings and not of some feeling of social deprivation. The reasons are political.

[Question] Did this new wave surprise those of you in the civil administration? I ask that because there is a commonly accepted saying--and not just among the sworn optimists--that goes: Come let us live together with the Arabs, they will get to know us, we will get to know them and the result will be that we will learn to live together. And here it turns out that the more we live together and the years go by, the hatred only increases. There is already a new generation of stone throwers and little terrorists that were only 2 or 3 years old or were not even born when this territory was captured. Has this saying about living together thus been proven false?

[Answer] Your thesis is very very imprecise. It is based on a simplistic view of relationships and processes involved in the area of contact between the Palestinian population and the Israeli population. I will try to show you how many levels there are to that complex system of relationships. The public that lives here in the territory--and I am talking about 800,000-900,000 Arabs--has, over the course of the years, gotten to know both the State of Israel and Israeli society. That acqaintance has occasioned within it very very signicant changes.

[Question] Such as?

[Answer] One of them is that from close-hand knowledge of the State of Israeli, most of them have come to recognize that Israel is a fait accompli, and they must reconcile themselves to living with her and alongside her. This recognition finds expression in positions expressed by large and important sections of the public in Judaea and Samaria. That is the positive aspect of this continuing association.

Improvement in the Standard of Living

[Answer] Another thing: precisely among the intellectuals the openness and democracy of Israeli society is the point of attraction, envy and the thing to be imitated. The intelligentsia, and I am not talking here about the most radical and nationalist among them, despite being nationalist Palestinians, display admiration--I would even say envy--of the fact that Israeli society is an open democratic society. These things come out in particular when they compare the living conditions of Palestinians under Israeli rule to the quality of life and level of freedom that they have under other, Arab regimes. They admit, both openly and in private, that here they enjoy greater democracy than in any other Arab country, and they say so. Despite the fact that they have their reservations about it and despite the fact that they see themselves in an intolerable situation from their point of view, they nevertheless admit that from the point of view of democratic rights, their situation here is still better than that of their brothers in the Arab countries.

[Question] Can you go into more detail on that?

[Answer] Of course. I was sitting with a group of intellectuals, lecturers at a certain university, and at the conclusion of the discussion, one of them told me: You know what amazes me? It amazes me that with you, officers in the IDF, we speak more frankly and openly than with our brothers in the Arab countries. Or a local scientist who went to a congress abroad and was with 12 of his professional colleagues, 3 from Israel and 9 from Arab countries tells me: You know whom I spent all my time with? The Israelis. Because I had much more in common with them than with the representatives of the other Arab countries.

[Question] Is this characteristic of broader groups?

[Answer] I am telling you that in order to show by two examples that the process of association influences a number of different directions. This is the positive direction: recognition of the State of Israel and learning its advantages. In this case, out of that knowledge comes the objective recognition that it is a reality that they must reconcile with and live alongside. Of course, on the other hand, there continues to exist a situation which to them is intolerable, and that continuance gives rise among certain groups, particularly among the young, to a feeling of despair. That despair can lead to apathy or to violence. That is the other side of the coin. We could say that all the complex feelings that characterize the mood in the territory exist, in fact, among all levels of the population. There is no doubt that the young in general and the students in particular are the more radical, militant population. It is from their midst, therefore, that we get not only those who disturb the peace but also those who carry out the attacks.

[Question] Let's leave that for a moment and move on to the question of the activities of the civil administration, which is headed by an army man and all of whose people are army men. I ask you: The refugee camps have always been nests of terrorist and criminal activity. The refugee camps were not eliminated, and to this day constitute a center for ferment and nationalism. The fact that those camps were not eliminated and the situation within them

not improved over all these years--don't you see this in retrospect as a mistake on the part of your predecessors or of the Israeli government?

[Answer] Those are things that are hard to do and cannot be done one-sidedly. In fact the refugee camps were not eliminated in any state in the Middle East. When we were in Lebanon we saw Rashadiyah and Burj Shimali, Ayn Hilwah and Miyah wa Miyah, which were established as refugee camps. But there are similar ones in Jordan and Syria.

[Question] They have a political interest in preserving the camps, and we have a political interest in doing away with them.

[Answer] Correct, but one of the factors that incited the population to oppose the initial attempts at reconstruction was precisely the PLO, because it is interested in maintaining the status quo and the refugee camps. We must remember that these camps are run by UNRWA, an international body. I am not sure that in the future we will not take steps to raise the living standard of the inhabitants of the camps.

[Question] Do you have some kind of plan in that regard? More concretely: What did you do last year to improve conditions in the refugee camps?

[Answer] Last year a number of steps were taken. They are not yet big ones, but the steps in the local arena brought about a certain improvement in the standard of living. We are talking about an increase in the number of telephones, improvements in the sewer system, improvements that we are about to make in a number of places, etc. In Judaea and Samaria today there are certainly a number of important beginnings in this area for the future.

Support On the Road to Negotiation

[Question] Is the activity here somewhat more intensive than in the past?

[Answer] I think so.

[Question] What about the future and what additional plans are there for improvement?

[Answer] We are certainly planning additional activities in the refugee camps. At the moment I do not want to elaborate.

[Question] Let us go back to that group of 10 percent who support the rejectionist organizations; does the government attach special importance to that group?

[Answer] No.

[Question] Let us go back to the first question. Do you think there is a certain weariness in opposition to the Israeli conquest? You spoke earlier of a feeling of being reconciled, that people are reconciling themselves with the fact that we will stay here. Is there really any weariness?

[Answer] There is a feeling of weariness.

[Question] Do they ask the classic Jewish question: What will the future bring?

[Answer] Yes. The majority realize--and I have already indicated this--that the way of terror will not bring them any solution, only trouble. That is to say: if you ask me is thare disillusionment with the terrorist fantasy as a solution to the problem--then certainly, yes. If you ask me are they reconciled to the situation, I would say no.

[Question] How do they see this in private conversations? Could you indicate in general terms who you are talking with, who you have these discussions with, and what kind of influence they have? How do they see a possible solution?

[Answer] I would say, on a positive note, it is clear to them that significant movement is only possible through negotiation, and they therefore pin most of their hopes on the latest political developments. I could not say that there is any one formulation that they all rally around; but they feel that the way must be through negotiations and agreements.

[Question] What can they do in their positions to contribute to making it really a road of negotiations and not a road of terror?

[Answer] In the past the inhabitants of the area were very reluctant to express their own opinions about all these matters affecting their fate. Recently there has been a change, and now you hear more and more from the local population in strong support of the path of negotiations as opposed to the path of rejection and terror. This is a change that has occurred, and in their opinion it is of no small significance.

[Question] Do you encourage them to say this publicly?

[Answer] We do not encourage them to say anything. Still, the inhabitants know that they can express their opinions on all political matters that affect them and us without any fear or worry; they are now trying out this right and exploiting it.

[Question] To whom do they express these desires? Are they satisfied to express them in their own media? Do they really say that in the media, or is there someone in the civil administration to whom they address their requests?

[Answer] We, the administration, as a government, are not the place to express that opinion. The local inhabitants who want to express their opinion do it mainly in the local newspapers. There are four dailies and a weekly published here, and they generally express themselves on the pages of those papers. There are those who give interviews to various foreign correspondents who come to the area, and they afterwards get international distribution.

[Question] Does the fact that you are now encouraging the return of the Arab mayors have any connection with this?

[Answer] Let us be precise. We allowed the return of the Arab mayor of Shekhem.

[Question] From your point of view what does the appointment of an Arab mayor in Shekhem symbolize?

[Answer] The policy to permit the local inhabitants to go back to administering their own towns, where those administrations ceased for one reason or another, is not a new policy. The significance is that we did it in Shekhem, the largest city on the West Bank.

[Question] Do you expect any other appointments?

[Answer] I cannot talk about that at the moment.

[Question] What was it that made you choose Shekhem in particular?

[Answer] There was an appeal from the Shekhem municipal chamber of commerce headed by al-Masri. We examined the proposal and decided that it was possible and desirable.

Expectation of a Political Process

[Question] Does the fact that certain influential circles among the population have voiced the opinions discussed earlier have any connection with the appointment of an Arab mayor in Shekhem?

[Answer] I would say that the particular atmosphere that holds sway in the area had an influence in that it made al-Masri's candidacy possible, and that it enjoys broad public support.

[Question] Do you hope to build a new leadership in this way for the inhabitants of Judaea and Samaria?

[Answer] We are not building leadership. Leadership is hard to build artificially from the outside.

[Question] If I were to ask you to define the political situation in Judaea and Samaria today, would you define it as being on hold on all sides?

[Answer] I would say that the population is in a hold situation.

[Question] What is the population waiting for? Are there clear desires that they express in their conversations?

[Answer] The local population is waiting for a turn to the political process.

[Question] What is the main effort of the civil administration today?

[Answer] We are busy setting up public services and development and, among other things, raising the standard of living; that is, the well-known general

formula of improving the quality of life. We bring the beef to that slogan. I could give you a number of examples of immediate improvements, very much felt in the life of the community. If today there is direct Telex from the area abroad, which is particularly beneficial to businessmen, I would say that is an improvement. This month direct international dialing was introduced into the four most important cities in the area, and within a year it will be possible to dial direct abroad from the entire area. That is also an improvement. We are at the height of a construction program of government hospitals that will increase the number of hospital beds by 25 percent. With our budget last year we paved about 100 km of roads and added 100 new classrooms. That does not include the work of international organizations whom we encouraged and enlisted in the construction of hospitals and classrooms. We are also busy with the development of water networks, improving the water supply system and assisting agriculture, through our own work and that of international benefactors. We are investing a whole range of efforts here to set up public services and improve the quality of life.

[Question] But what is the administration's main effort today?

[Answer] I told you there are a number of areas that we are trying very hard to develop here: communications, health, education, water and electricity. Those are the main areas with which we are occupied. Of course we also try, as part of that policy, to make it possible for the public here to invest and develop the local economy with its own resources. In that, too, we are making broad inroads, to the extent that the local inhabitants can and are interested.

[Question] What are you doing to represent the Israeli public, the State of Israel, to the inhabitants of Judaea and Samaria; and Judaea and Samaria to the State of Israel? Is that in any way the mission of the civil administration--on the assumption that if we really get to know each other, some kind of connection will develop, some kind of empathy?

[Answer] I would refrain from any talk of empathy, but there are any number of ways for Israel to get to know the inhabitants of Judaea and Samaria, and vice versa. There is no need for any initiatives in that direction; but, as a civil administration, we do take steps in the professional area. Here I mean recognizing certain sectors on a professional basis; we take teachers for graduate study at the Hebrew University; we take school principals and educators to instructional institutions; we try to take physicians to professional courses in Israel, and farmers, to do graduate work in agriculture. In that fashion we simply help certain professionals, particularly in the government-public sector, to get to know their counterparts in Israel.

[Question] It seems that despite everything the statistics on attacks and violence are in drastic decline (correct me if I am wrong). November is known as the worst month for disorder and rioting. How did this past November go?

[Answer] November, which includes 2 significant dates--2 November, Balfour Declaration Day, and 29 November, the day of the UN decision to establish the State of Israel--is the month that is traditionally the worst for disorder in

Judaea and Samaria because of those dates. This November saw the lowest number of outbreaks of disorder in several years. By way of comparison, there were only a third of the incidents that took place in 1983 and half the number that took place last year. Thus, from that point of view, it was a particularly quiet month this year.

[Question] Do you attribute that to weariness or to your own initiatives?

[Answer] To weariness, but not only to that. In very large measure it must be attributed to the whole gamut of activities conducted in the field by the various security elements: field security, the civil administration, and the other security branches.

[Question] What part did the civil administration play in this?

[Answer] The activity was coordinated. Our part was in managing contacts with the heads of educational institutions and the heads of various sectors. We appealed to them and explained that disorder could snowball into confrontations and violence and, in the final analysis, it does not serve the interest of the population.

[Question] Don't they understand that by themselves?

[Answer] They do, but it is also important to explain it.

9794
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PLANS CALL FOR EXPANDING JEWISH TOWN NEAR ARAB HEBRON

TA101105 Tel Aviv HA'ARETZ in Hebrew 10 Jan 86 p 1

[Report by Yehuda Litani]

[Text] The development area planned for Qiryat Arba' is intended to surround Hebron, and is larger than the entire municipal area of Hebron. This emerges from research conducted by Mikha'el Roman published this week by "The West Bank and Gaza Strip Project" headed by Meron Benvenisti, under the title "Qiryat Arba' Versus Hebron, Mutual Relations."

According to the research Qiryat Arba's municipal jurisdiction, which includes all the developed area, and mainly all the area in the district which has been defined as state land, includes 3,737 dunam. Qiryat Arba's jurisdiction extends over approximately 30 territorial enclaves which extend over approximately 10 km and which are surrounded by areas with dispersed Arab construction.

The process of amassing state land for Qiryat Arba' is still at its height. The assessments regarding the size potential run between 4,000 to 6,0000 dunam. On the basis of these figures it will be possible to enlarge Qiryat Arba' up to 5,000 apartments (or 21,000 people) in the future, at most. According to the research approximately 3,000 Jews currently live in Qiryat Arba' and Hebron, as opposed to 60,000 Arabs.

The research further states that all the areas east and south to Hebron Municipality's area of jurisdiction has been declared by the Israeli authorities as a "special planning area." A rough estimate puts this territory at at least 30,000 dunam (and even 40,000 dunam according to other assessments), this while only 20 percent at most is state land. The rest of the area is under the ownership of Arabs from Hebron and nearby villages, and half of it is an agricultural area. According to the existing plan all the state land is slated for dispersed Jewish construction. The roads meant to connect them, as well as territories for infrastructure installations, will be expropriated from the Arab owners. No urban construction will be permitted in the Arab areas, except for one small area, and they will be limited to using them as agricultural areas, open areas, or for future development. According to the research the Arab answer for this, in the framework of the fight for territorial control, was mainly a spontaneous spread of private housing all over the territory. According to one of the estimates over the years 1977-1983,

Hebron's constructed area has grown threefold, spreading from the urban to the adjacent rural area. This building spree was also assisted by Palestinian-Jordanian funds.

The Jewish Committee for Renewing Jewish Settlement in Hebron has published a master plan in which it demands to seize an area of approximately 70 dunam within the city of Hebron (area which in the past belonged to Jews), in the locations of the wholesale market, the bus station, and Khirbat al-Rumaythah. According to the plan approximately 500 apartments will be built there, housing about 3,000 people.

At a second stage it is suggested to connect the three Jewish sites in the heart of the commercial section (Bet Hadassah, Bet Romano, Avraham Avinu) by means of purchase or expropriation, and populating a connected Jewish quarter which would be similar in size of the Jewish quarter in Jerusalem. In the long term it is proposed to connect this area with the Makhpelah Cave through Hebron's casbah.

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ISRAEL

RELIGIOUS DRUZE DECLINE MILITARY SERVICE

Tel Aviv 'AL HAMISHMAR in Hebrew 10 Jan 86 pp 8, 19

[Article by Yehuda Tzur: "They Are Repenting, Too"]

[Text] The phenomenon of religious revivalism has been affecting the Druze sect in Israel, too. Many of its members, upon arriving at army mobilization age, declare themselves religious, and thus escape serving in the IDF. This phenomenon, which had been marginal until a few years ago, has been acquiring increasingly large proportions: among the recent contingents of young Druze recruits there are increasing numbers of young men who prefer to be released on religious grounds, contrary to the traditional Druze attitude. So, they give up 3 years of service for years among the religious priesthood.

The terms "defense service" and "Druze" are almost impossible to separate, because in many instances the two run parallel. Thirty percent of the border guards are Druze, as are 20 percent of jail staff, and the number of Druze in other defense corps is quite considerable.

In entire villages the men's livelihood is based on IDF service; that is the case, for example, in Hurfeish and Bet Jan. But now it appears that 10 percent of the last contingent of Druze due to be mobilized were religious, and according to the army rules, they were released.

Lt Colonel Labib Nasir-al-Din says that the regulations concerning release on religious grounds for the Druze are clear: "The religious are exempted for 5 years, during which time they have to present themselves every year. They are officially released only for 1 year, but at the end of the 5 years they receive their full release from the IDF, and that is the end of the military chapter in their lives. In order to qualify for the exemption, the young men have to bring a certificate written and signed by Shaykh Amin Tarif, the spiritual leader of the Druze, testifying that the respective young man is, indeed, religious." The revival phenomenon is viewed among many of the Druze as something positive that should be encouraged and cultivated, and not as a dishonor. Hasan Hirbawi, a captain in the reserves and an inhabitant of Yirka, who is currently the deputy principal of the local school, repented a few years ago. He is now proud of being a religious man, and he complains about the disparaging attitude evinced--according to him--by many Druze youths toward religious matters. "Twenty years ago," he says, "each young man either

grew up in a religious family, or at least had a religious family as a neighbor. Now you have entire villages without one religious household. Without religion we will lose our national character. The Jews, who spent thousands of years in the Diaspora, remained a nation because their religion preserved them against assimilation. And today there is a Jewish nation, living in its country, thanks to religion. The importance of religion is all the greater for a people like the Druze, who do not have a state of their own, and all that they share is their special and distinctive religion.

"Take young Druze growing up in a secular home; you cannot, in fact, distinguish between them and between secular Jewish young men. The distinctive character of the Druze comes from their religious tradition. I am convinced that each proud Druze, who is concerned about the continuity of his people, must observe his religion and traditions. A young man coming from a religious home is stronger. And because religion is important for the sect and for its unity, and because army life is not compatible with religious life, the young Druze should be released from military service."

Religious Prohibitions

Hasan Hirbawi, who is viewed as an important figure among the repenting young generation, and who spent long years in the IDF, is very careful in talking about the principles of the Druze religion. He stresses that the religion is opposed to any military service, not necessarily to the IDF alone, but to all armies. "All the trappings of modern life, such as baring the body and associating with women, are categorically forbidden to religious Druze men. Consequently, a Druze young man cannot serve in the military: not because he hates the IDF, but because he wants to live religiously and to observe the values of his religion. And serving in any other defense branch is equally prohibited, for the simple reason that according to one of the principles of the religion, a Druze may not sleep outside his home. And I am not even mentioning other things, involving more elaborate religious commandments, that prohibit a religious man from being in the army." Dr Fadil Mansur from Usfiya has been in the past years living according to the strictest religious prescriptions, a fact that he does not hide even in the area of his academic pursuits. Dr Mansur is even more categorical in his pronouncements: "There are two sins that a religious Druze cannot commit and still be a religious man: fornication and murder. Military service increases the possibility of falling prey to those sins."

Arye Simhoni, a staff member of the youth department of the Defense Ministry, who attended the seminar dealing with the integration of young Druze in the IDF where Dr Mansur expressed his views, stood up and emphasized that there is neither fornication nor murder in the IDF. A high-ranking IDF officer who lives in one of the traditional Druze villages vigorously rejected the assumption that one cannot preserve the Druze pride and tradition and be a military man at the same time. " For hundreds of years," the officer said, "the Druze fought in every war in the service of various masters, and often even for themselves. I never heard that they were disgraced in the eyes of the Druze tradition for having fought, on the contrary. I myself live in a traditional village, and I have never heard anyone say that I violate the modesty of the sect or its principles by being an army man."

Muhammad Ramal Birka asked those who fear that military service enhances the temptation to come into contact with women what they thought about Druze university students. Dr Mansur himself leads the demands for facilitating Druze access to universities and for increasing the numbers of Druze students. Moreover, Dr Mansur requests that all the universities in the country reserve a given number of places for the Druze, in order to increase the ratio of Druze academics to Jewish academics. We addressed the question to Hasan Hirbawi, pointing out that without a doubt, for young Druze men and women to live together in coed dormitories is more dangerous for their modesty--even if all they want is to acquire an education--than service in the paratroopers, for example. Well, replied Hirbawi, "I do not know whether indeed it is not possible to preserve one's modesty in universities. When I was a student, I did manage to do so."

Muhammad Ramal claims that repentance is a relatively new phenomenon. According to him, the subject did not emerge at all until the Druze spiritual authority decreed that those who want to become religious may not serve in the army. He adds that for governmental and other reasons, the IDF and state bodies--who are interested in preserving the honor and position of Shaykh Tarif--gave in to this request.

Hasan Hirbawi indirectly confirms that as far as he is concerned, the only authority that can determine whether a religious man may or may not serve in the IDF is Shaykh Tarif. "We do not have a religious court, or a pope, or a council of religious scholars," he says; "currently it is accepted among the Middle East Druze that the final authority on matters of Druze religious tenets is Shaykh Tarif. We do not have interpretations of the religious books. The only power of decision in this matter lies with Shaykh Tarif."

Muhammad Ramal believes that the solution is to establish religious schools, like those in Aqlin, in the Lebanese Shuf Mountains. There young men study from a very young age, as in a yeshiva, until high school graduation. "If they establish such schools here," says Ramal, "the problem is solved, because then no one will be able to tell a young Druze whether he is religious or not just before the military service, because the religious would have been in the religious school for many years prior to that."

According to Ramal, compromise cannot provide a solution. He claims that precisely those who allegedly want to unite the Druze sect through religious observance are the cause of splits within it. "What do they mean when they say that those who serve in the IDF are not Druze? Are those who secure a release more Druze? The solution must be to lift the compulsory military service for the Druze. Then, those who do not want to serve--on religious or other grounds--will not serve. However, I am convinced that not only will the number of Druze recruits not diminish, but that it will even increase. Currently, many are forced to claim a release on religious grounds because they simply do not want to serve in the IDF. But I am sure that young Druze are fully aware of the fact that if they want to become integrated into the life of the country, they have to present military reserve papers to secure a good job, as proof of having served in the army. And if they served in an elite unit, all the better. Social security, too, is a weighty consideration for the Druze--I

am convinced that if the compulsory service is lifted for the Druze, and their military service becomes voluntary, the overall number of young Druze in the IDF will not drop in the least, but will even increase."

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ISRAEL

RECENT LAWS SAID TO LIMIT FREEDOM OF PRESS

Tel Aviv 'AL HAMISHMAR in Hebrew 10 Jan 86 pp 5, 19

[Article by Mark Gefen: "The Double Accounts of the Press"]

[Text] The recent plague of laws designed to limit the freedom of the press appears to be ebbing, there remains only the draft bill--that still has support in the government and in the Knesset--to ban the publication of names of suspects or of people under investigation until the charges against them have been served, or conversely, until 30 days have passed since their detention for questioning. Attempts to limit the freedom of the press are not something new, but they escalate when the establishment sees itself threatened by revealing publications. Care for the "simple citizen" injured by the press is invoked by public figures as a pretext for various legal limitations, but, miraculously, such initiative has never been brought up by any injury caused to those anonymous citizens, but always by some minister or Knesset member outraged about things aired about him.

From the start it has to be said that even in the confrontation against such laws one must guard against idealizing the media or representing it as a paragon of virtue. Like any other profession, the press deserves criticism, too. I do not believe that it is right to speak of the media in sweeping generalizations, in view of the differences between the various newspapers both from the viewpoint of quality and from that of honesty and adherence to the rules of journalistic ethics. Some time ago I heard a lecture by the government legal adviser, Professor Yizhaq Zamir, on the occasion of an event honoring the president of the Journalists' Association, Yehoshua Rotenstreich; the lecture was permeated by genuine concern for the freedom of the press, as one of the basic elements of a democratic regime, but it also pointed out the responsibility borne by the press for the hostile atmosphere recently created against it.

In the Absence of a Constitution

Indeed, it is impossible to ignore the studies showing that extensive strata of the population are in favor of limiting the freedom of the press, both because at times it loses its authenticity, and as a result of the instigation campaign launched against the media by politicians who blame the press for most of their own shortcomings and failures. Consequently, we are obligated to

draw up a dual account: one with the establishment, which is trying to erode the freedom of expression, and one with ourselves, with the press that deviates from the path of honest and verified reporting and at times ignores the principles of journalistic ethics that it has established within the framework of the Press Council.

In the absence of a constitution, the freedom of the press is not ensured either, but is based on general agreement on the meaning of our democratic system. On the other hand, the mandatory press law is still valid in Israel, according to which, for example, one has to have the permission of the Ministry of the Interior to bring out a newspaper. Although this law normally does not interfere with the appearance of new newspapers, in itself the prerogative given to the minister of the interior to "issue permits" for newspapers is in contradiction with the principle of freedom of expression.

Moreover, according to the same mandatory law, the minister of the interior has the right to close down a newspaper administratively under the claim, for example, that its writings may cause panic or unrest among the public, or disrupt public peace--foggy definitions formulated at the time by the mandate authorities for the purposes of their struggle against the Land of Israel press, which was fighting them at the side of the Jewish settlement. So far there has been only one attempt to enact those laws. It occurred at the beginning of the 1950's, and the laws were invoked against MAKI's newspaper KOL HA'AM, which was closed down for having published an item about Israeli troops being sent to Korea to help the U.S. Army. After a very long legal trial, that regulation was annulled. Since then the law has not been applied, but the very fact of its formal validity constitutes a blot on a democratic system, all the more so since this law may be wielded against Palestinian newspapers, which are closed down by decree of the military authorities. But I will come back to this particular issue.

The Sympathy of the Legal System

Indeed, additional restrictive laws have accumulated through the years, such as the libel law and the law of individual privacy. The press fought hard struggles against those two laws, but in the event we may as well admit that the devil is not all that black, and there is a justification for permitting the individual injured by some press statement to defend himself in front of a legal court. As for the libel law, at the same lecture by the legal adviser we heard that the legal system itself is more than sympathetic to preserving the freedom of the press. Thus, for example, according to the law, the person suing for libel must prove not only the falsehood of the statement, but also malicious intent on the part of the publication, and Israeli judges--according to the legal adviser--have expanded the meaning of the term "malicious intent" beyond what is customary. For example, in U.S. courts, malicious intent means that the publisher purposely intended to injure the defendant (personal grudge, settling personal accounts, etc.).

Out of the three draft bills recently under discussion, two have actually been scrapped because of the ministers who initiated them. Minister Shahal claims "nothing of the kind," he never intended to propose a law on press licensing, but on bolstering the Press Council. At the same time, the minister of police,

Hayim Bar-Lev, also backed down from the proposal attributed to him on a law against leaks, according to which in certain cases a journalist would be obligated to reveal his sources. Since these two bills have been removed--perhaps because of intensive press criticism--there is no point in dwelling on them.

On the other hand, I have been listening carefully to the reasoning that brought about the birth of those ideas. Let us take as an example Minister Shahal's claim that the Press Council indeed established rules of journalistic ethics, but that the majority of the journalists are not observing them. The council itself is powerless to enforce them. Here, indeed, the press must stop and sincerely take stock. The ethical violations are so numerous that I can only bring a few examples.

YEDI'OT AHARONOT of last Friday, setting out to demonstrate how items would look after the enactment of the ban on publishing names of suspects, devoted an entire column to an affair concerning a certain Knesset member, or, as the newspaper phrased it, "one of the 120."

But, for some reason, YEDI'OT AHARONOT forgot that this type of publication violates the rules of the Press Council, which have been accepted by each newspaper and each journalist. According to those rules, it is prohibited to publish suspicions of an anonymous person belonging to a defined group of people, when the non-publication of the specific name casts suspicion on the entire group. The Press Council has repeatedly remarked that it is prohibited to publish items along the lines of "A senior employee of Bank X is suspected of embezzlement," or "An investigation is underway against one of the mayors of Gush Dan," and so forth. YEDI'OT AHARONOT's exercise violated the rules of ethics, and can certainly not serve as an example of publications under the effect of the enactment of the law banning the mention of suspects' names.

A "Jew" in Every Title

Another example of contempt of the rules of journalistic ethics can be found in an even more serious area. Note the use of the word "Arab" in titles such as: "Arab murdered," "Arab stole," "Arab raped," etc. The Press Council has tried to stem such racist references by banning discrediting communal, national, or racial references. There is no shortage of Jewish murderers and rapists, but those appear in print under their own name, without mention of nationality. Only the Arabs are nameless, just murderous Arabs. Lack of space prevents me from bringing examples, but the press is replete with such titles.

And along the same line: after the murder of a Jew, even before the details of the investigation are known, reports are printed stating that "the murder was carried out on nationalistic grounds." There undoubtedly are such cases, but the haste with which such statements are issued on the very following day, while the police itself says that "investigations are being carried out in several directions," shows a tendency that reminds me of the anti-Semitic press that was in the habit of stressing the "Jew" in each title. On the other hand, the murder of an Arab is accompanied by quick, routine explanations, according to which he was "killed while handling an explosive," or was "eliminated by terrorists for being suspected of collaboration."

An additional and very wide spread example of ethical violations are items that cast aspersions on an individual without the reporter having bothered to find out the reaction of the individual to the claims or suspicions he is about to cite against him. This is one of the ironclad rules of journalistic ehics, but many journalists ignore or circumvent it, sometimes under the excuse of "time pressure," and sometimes because they fear the reaction may "kill the scoop." No, I do not assume that there are such journalists, I know it from experience, and I have even heard such an admission from a reporter, on the occasion of the examination of a complaint brought against him to a Press Council committee: "I had a great headline," he claimed, "and I did not want the individual involved to deny everything and leave me without the scoop."

Did Minister Dekel Speak, or Did He Drink Coffee?

Another issue concerns revealing the source of information. Reporters have many reasons not to identify their informants, particularly when it is a matter of revealed secrets. To begin with, most reporters are given the information on the condition that the name of the one doing the leaking not be cited. Secondly, the reporter is not interested in burning his connections for the future. In Britain, for example, journalists have gone to jail rather than reveal their sources. In our country, there is no such danger (yet?), and protecting one's sources is one of the domains of the journalistic profession. But, here, too, there is a reservation, and that is that the information must be genuine; secondly, there must not be arbitrary use of generalizations such as "a senior government source," whereby the phrase is used to hide another, perhaps less relevant, source for the information.

And indeed, this claim was raised this week by the minister of police and by the police general commander at a meeting with newspaper editors. They cited many examples of items based on "senior police sources," without any real proof. One such prominent example was an item printed in one of the newspapers on the details of the first investigation of Deputy Defense Minister Dekel; the item featured many details on a long series of questions put to Dekel--a truly suspenseful story. Except that what really occurred at that first meeting between the police and Dekel was that he was asked one question: "Are you prepared to make a statement?" to which he laconically replied: "I have to consult with my lawyers." After which the two sides had coffee. So where did the exciting story of all those questions and answers come from, and why was the "leak" attributed to "a senior police source"?

It is not the purpose of this criticism to deprive the press of the right to investigate, to seek information, and to present what the establishment describes as "leaks." The term itself is misleading, because the government itself is the which who turns off the tap on information the publication of which is legitimate and even vital for the fulfillment of the role of the press as the watchdog of democracy. In our country everything becomes a "deep secret," especially when it covers a shortcoming, failure, or criminal act. It is not the leak that should be blamed, but the taps, the "security taps" of the establishment. Had it not been for leaks, the Watergate affairs would not have come to light in the United States, nor the Yadlin affair in our country.

The public should not be worried by "leaks"--although part of the public has been contaminated by this establishment campaign against leaks--but by what the leaks reveal. Everything, of course, on the condition that the facts are verified.

Journalistic Blackmail

Had the press faithfully observed the rules of ethics that it itself had established, it would have saved itself much justified criticism. The source of the weakness of the Press Council is not lack of rules, but faulty operation in its current system. The council routinely deals with complaints filed against newspapers or newsmen, but it almost never initiates such investigations. There have been several attempts to establish "supervisory committees" appointed by the council, but their efficiency was limited. In view of this situation, the responsibility rests with the press editors, who must stem the growing trend to disregard the rules of ethics.

As an example I want to cite the complaint filed by Knesset member Uri'el Lynn with the Press Council, in which he reported several discussions with parents whose children had fallen victims to murder or rape. "I discovered that in many cases the reporters covering the incident, out of a desire to come up with interesting findings or because of competition, apply unethical pressure on the victim's family or even on the victims themselves... I was told that in talks with the family or with the victim, reporters covertly or openly threaten to publish negative details, thus forcing them to reveal information. Such things have occurred in connection with rape victims..."

The president of the Press Council, Attorney I. Rotenstreich, verified that such cases are known to the council, but noted that there are newspapers, like HADASHOT, or weeklies that do not recognize the authority of the Press Council. I am not sure that such deviations concern only those publications.

And here we come to the basic problem of the press today, namely its general level. This is a subject that deserves separate treatment, and here I will mention only the almost general trend to arrive at the lowest possible denominator, the competition for the sensational, and the war for the readership market--at any price, whereby any means is permissible in order to excite the curiosity of the reader. Murder is promoted to frontpage headlines, and as for the style, for a long time there have been "daring writers" with "personal columns" who have turned the sexual organs into elements of style. Usage of the male organ has become a symbol of absolute freedom. I am no prude, but this literary sexual daring proves, at the most, intellectual impotence.

In the battle for the freedom of expression, our press and its institutions, including the Press Council, ignore the attitude of the authorities toward the Palestinian press, particularly that of East Jerusalem. Formal claims that these newspapers allegedly "do not belong to us," are not members of our associations, are to a great extent hypocritical. Whoever is concerned about press freedom must be concerned about what is happening with those newspapers, which are brought out under Israeli rule, and which have no means of protection against attack. Why have we not heard until now even one protest

against this violation of the freedom of the press, and why has no press body attempted to investigate the shameful situation in which an East Jerusalem paper cannot print an article or information that hasalready appeared in Israeli newspapers?

As we see, the accounts are dual. Attempts to erode the freedom of the press will continue, and we are still faced with the draft bill to ban names of suspects. In point of fact, this law will affect not only the right of the press to report, but equally the principle of open investigation. The law may also hurt the suspects and detainees themselves, as the police may then be able to hold people arbitrarily. Secret investigation implies the rule of secrecy and uncontrolled government. This bill can be blocked on the basis of the regulations of the Press Council, which also restrict the publication of suspects' names until they have been officially charged, except for investigations of public interest.

Of course, politicians and public figures must take into account the "professional risks" involved in their positions, which leave them open to criticism. It is not conceivable, for example, that the fact of an investigation against a government minister should be concealed from the public under the pretext that "he has not been charged yet."

On the other hand, the press, too, must take stock of its deviations from the rules of journalistic ethics. The more it indulges in carelesness, unreliable reporting, and other sins against journalistic ethics, the easier will be the work of those plotting against it.

12782
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ISRAEL

IDF EDUCATION COMMANDER INTERVIEWED

Tel Aviv 'AL HAMISHMAR in Hebrew 10 Jan 86 pp 20-21

[Interview with Brig Gen Nehemya Dagan, IDF education commander, by Yisra'el Zamir; date and place not given]

[Text] Brigadier General Nehemya Dagan was plucked from among the helicopters and put in charge of the education flock, and is now its shepherd. Into his hands were entrusted black sheep, white sheep, and more than a few rams. His job is to lead them to green pasture and there, while they are grazing, to school them. Some of the sheep are unmotivated and refuse to assume ledearship roles and to walk at the head of the flock. Others pull to opposite sides and bleat in discontent. Some lambs were deprived from birth and their education was disrupted. Moses the Prophet called Nehemya to lead them all and to ensure that the flock is not dispersed. "He shall guard his flock like a shepherd, gather the lambs to his bosom, and guide them to excellence," said Isaiah II, and Nehemya set out on his way.

One hundred days have passed since Nehemya Dagan was appointed chief education commander, and many of his illusions have been shattered in that time against the reality of reductions, cuts, and other troublesome edicts visited upon the education corps. On the eve of his take-over of the new position, we held a background discussion in his home, during which he presented his educational "credo." That discussion was frozen and its publication was permitted only 100 days later.

Before going to print we met again in order to find out what had befallen the shepherd and the flock in those 100 days.

[Question] After the Lebanon war, do you feel that young people are less motivated upon joining the army?

[Answer] I have been giving many lectures to young people since 1973, and I do not feel any drop in motivation among high school seniors. However, there is a sort of dummy among them called "they say." This dummy stands to the side, and idealistic high school graduates somehow become contaminated by this "they say," which claims that there has been a drop in motivation. We receive excellent human material in the army, and the question is how to best deal

with it. The answer is: through the commanding officers. Only the commanding officers can dispel the dejection and the "they say" atmosphere.

[Question] A considerable number of high school seniors constitute the elite of the country. They do not cause much worry, but what about the other strata, whose sons serve as garage mechanics or shekem [canteen] personnel, whose immediate superiors are at the same intellectual level as they are, and who have not been reached by education in either high school or the army.

[Answer] If you liken the society to some sort of imaginary pole, 5 percent of it, at the upper end, will be white, and 5 percent, at the other end, will be black, but what will be the color of the remaining 90 percent of the pole? Some say gray, but I claim that it will actually not have any color. The pole will be transparent. It will acquire color, according to the principle of optical fiber, when you connect to it the white from above and the black from below. Most people are torn between the two colors, but if you have a positive leadership above, there are good chances that the white will prevail upon the black. If we develop leadership in the IDF, we will find that the phenomenon of "idlers," or lack of motivation, will disappear. But if we weaken those at the top, the negative elements will gain strength and the black will prevail. Do not think of the colors in terms of skin color. If we take the State of Israel and represent it as a triangle, at one end we will find the Israeli average, at the second end the small state, and if at the third end we have 2,000 excellent people, who thoroughly understand their mission and exert their influence, then it will be possible to change the atmosphere in the IDF and throughout the country.

[Question] What prompted a man like you, who so far has held frontline positions, to become chief education commander?

[Answer] I want to change the atmosphere in the army, and through the army, in the entire country. The IDF radiates a special aura on Israeli society. This is a challenge!

[Question] Did the Lebanon war have an effect on the army? It was the first war we fought without national consensus.

[Answer] The question is whether you can fight a war on which there is no agreement. In my opinion, yes. We must explain to the commanding officers that each one of them has a right to his own views, but as long as the decision is legal, the army must go out and fight. Anyone who does not think he can take it can resign. I think that Ely Geva's gesture was legitimate. I do not want in the army officers who do not believe in what they are doing. The IDF's greatness resides in the fact that its officers can go home any time. The government decides, and our job is to fight. As soon as I explained this to the troops, they grasped the meaning of democracy. An army must be able to fight without consensus, too.

Playing with LEGO Until Age 3

[Question] You are probably right as far as the battle units are concerned, but what about the deprived strata? There, commanding officers lack the

motivation to educate; those strata are rather large in the army, and many of them even voted for Kahane.

[Answer] Correct. We must deal with those strata, because the fate of the State of Israel depends on them. Kahane has won some of their votes. I do not have answers for all the problems. For several months now I have been working on a pamphlet on this subject. It seems that lectures are not the answer in this case. We must take a team and bring it to the base to become acquainted with the soldiers. The team should include a professor, as well as someone from the town who is familiar with the local style, and together they should prepare a program. They should meet with the same group three to four times a year, and in this manner we will perhaps be able to change attitudes. Lyova Eli'av spent a whole year in Or Aqiva; now he is at Negev University, and at both places there is Kahanism.

[Question] Is there awareness of social integration in the army? Of the need to bridge social gaps? Are you conscious of this problem?

[Answer] My approach to the army is the Zionist approach. I became chief education commander because my objective is to change the atmosphere prevailing in the army. The IDF provides the most genuine social integration. The Olga base means more for Zionism than for the army; the IDF does not derive as much from it as the State of Israel does. If an Olga graduate serves in the army, then, years later, proudly tells his son about it, the son, too, will join the army.

[Question] The percentage of IDF men who voted for Kahane was twice as high as the percentage of his voters in the rest of the country. Studies show five to six mandates. Are you worried by this increased extremism?

[Answer] In view of the special situation prevailing in the country, we must work hard to prevent increased national extremism and intolerance. For understandable reasons, the army provides the grounds for extremism, and if we do not educate people against it, the extremism will grow. Extremism offers easy solutions and simple answers to complex situations. Extremism is a two-edged sword. It does not provide solutions. We are told: "You love Arabs, that is why you do not kill them," to which I reply: "Do the French love the Germans? How can one talk in terms of love at all? We must talk in terms of coexistence." Extremism is destroying Israeli society. I think that it can be blocked. I know these people. When I was commanding officer of an air force base, I sent my men twice a week to an elementary school in Rishon Leziyon to help children who had trouble doing their homework. Each soldier had "his own child." He went to the child's home and became socially and educationally integrated. Ask the school principal, he will tell you the story. Our base was known in Rehovot, Enot, Nes Ziyona, Ramla, Lod, Bat-Yam, and Yafo! Two officers sat in the library once a week and helped children with their homework.

[Question] Can this model work throughout the IDF?

[Answer] Certainly. That is why I was appointed chief education commander. Now I can circulate the "Model A" throughout the country. The chief of staff is

convinced that this is a very important project. Imagine that each base takes a surrounding area with a 10 km radius and influences the society around it. We can cover all of Israel in this manner!

[Question] What is your stand on religious revivalism in the IDF?

[Answer] According to my philosophy, revivalism is not good for the IDF, because it takes a man out of the realm of Zionist action. If the repentant one continues to fly, to sit in a tank, and to fight, all right. But the ones who do so are few, while the majority leave to go to yeshiva [religious school].

[Question] The HABAD have a "tank" and they visit bases and try to influence people. Will you ban this tank?

[Answer] I do not think that the HABAD people have any serious weight. I have known them for years, and they still try, unsuccessfully, to convince me to put on phylacteries. The HABAD does not represent revivalism in the negative sense. Interestingly, those who go back to religion are precisely the intelligent and the doubting in a group. They seek answers to distressing questions, and religion has an answer to everything. The more intelligent a person, the farther he will go in his repentance. That I find painful.

[Question] Have there been attempts to bar their access to IDF camps?

[Answer] I am not sure that that would help. The army must do everything possible to prevent people from being wrested out of the Zionist circle, on which everything depends.

One Hundred Days Later

One hundred days later I came to the house of Nehemya Dagan and found an angrier and more bitter chief education commander. At the time of our previous discussion, 3 months earlier, the cutting sword had not yet been poised above his head and he had believed he could effect radical changes and return the IDF to its days of glory, to the first years of the state, when soldiers lined up for theater and concert tickets, and when discussions in camp tents revolved around Agnon, "Panfilov's men," and S. Yizhar. At the time, when Habima [Theater] staged Yig'al Mossinzon's "In the Wilderness of the Negev," the gallery was filled with men of the Giv'ati Brigade who had come to see the play, and who even protested loudly about historical distortions concerning the defense of the Negev, and, for many hours after the end of the play, in a bitter cold wind, heatedly argued with the actors and the public about the play and its objectives. Those are probably the innermost aspirations of Birg Gen Nehemya Dagan, chief education commander, who had now been in his post for 100 days.

One week earlier he had shut himself in his house, sharpened a dozen pencils, and begun writing the pamphlet containing his philosophy and original suggestions on how to educate the IDF in 1986, including ideology and its practical implementation. The pages are scattered throughout his house, and his head is full of new ideas. Every once in a while, his dog and Siamese cat

jump on his desk and mess up his papers, and he shouts at them; it would seem that the orders of a brigadier general do not mean much to them...

[Question] Nehemya Dagan, the 100 days of reprieve have passed, and the clamor of cuts reverberates through the country. How does the military education system deal with the new situation?

[Answer] I came to an educational system whose main motive is cuts. While in 1980 the budget, not including special populations, was $5 million, and in 1984 it was $12 million including special population, this year we have dropped to $6 million including special populations, and 40 percent of our manpower has been cut. Entire education units have disappeared: three in Jerusalem, one propaganda unit in Tel Hay, and even Bet Goldmintz was closed down. It is doubtful whether an education unit with its wings clipped will be able to function properly.

[Question] Can it be said that the cuts will now end?

[Answer] Not by a long shot! I am facing threats of additional cuts to the tune of $600,000, and if the knife goes beyond this amount, I am afraid that will kill us altogether! I am crying out loudly enough to shake the IDF and the state establishment: Do not touch my budget!

[Question] Would additional cuts mean closing down "Olga?"

[Answer] It has been decided not to touch the deprived population.

[Question] What will be the practical effect of additional cuts on the troops in the field?

[Answer] No more theater shows for the IDF; soldiers will not go to the theater or to museums; no movies to the bases; no advanced education for regular army men coming from poor families. To me, this is terrible! The cutters point to hard currency, while cuts in education mean less valuable education and fewer ideals. There was a time when ideals were hard currency, but this currency has become eroded through the years, which does not mean that the values are not right! Israel's strength lies in the quality of its fighters, because in the other areas--weapons and ammunition--the enemy can surpass us.

[Question] The chief-of-staff appointed you as chief education commander and expressed support for the education lines you suggested. Is he in agreement with the cuts?

[Answer] The chief-of-staff claims that so far no decision has been taken on additional cuts, but the apparatus keeps paring down trends. What are $600,000 for the army? In terms of the Air Force, it is a joke. For the infantry, it is less than a quarter of a tank! But a pilot who is given education is a better pilot, and the same goes for gunners, tank teams, and missile boats crews. What makes us better is our fighting morals, our values, and the human quality, and those are determined by education!

[Question] Do people in the IDF not understand this?

[Answer] I do not know. Judging by what they say, they understand very well, but judging by what they are willing to invest in education, I am worried, very worried. If you apply to education the same criteria that is used to assess staff work, performed by staff personnel, then education does not stand a chance, because it cannot compete with a rocket or with flight hours. Consequently, someone should look at the entire picture from above, then decide the place of education within the overall hierarchy of priorities in the IDF. The implementation of an education policy cannot be gauged by immediate results. We must decide what to insist upon and what to give up.

[Question] And if, in these "troubled times," it is decided to deprive you of the $600,000?

[Answer] I do not want to think about it!

We Must Wave a Lot of Flags

[Question] You are putting together a pamphlet containing your educational "credo." What is the IDF going to deal with in the coming year?

[Answer] With all the topics that are currently of concern: the alternative to our life in this country and its significance; emigration; relations in the Arab sector; the relations between us and the Israeli Arabs; the relationship between the religious and secular population; the drug problem; educating the individual as a consumer of culture; Hebrew language improvement, and educating the soldier as a reader of books.

[Question] Will you restore to the IDF the Tarmil Library [Sifriyat Tarmil] which was about to close down?

[Answer] Who is talking of closing down? I am about to bolster the Pocket Books! Recently we had a discussion on this subject with Hayim Be'er, Binyamin Tamuz, Hayim Guri, Nurit Govrin, Ehud Ben-Ezer, Yisra'el Har--the editor of Pocket Books--and the publishing administrator of the Defense Ministry. You see, we do not have the time to wave one flag. In 1986 we will have to wave many flags!

[Question] Give me an example of the manifestations of "culture" that you want to restore to the IDF?

[Answer] In the area of theater, for example, the troops will see more plays, and cultural-educational activities will be conducted around them: discussions, lectures, meetings with the actors before or after the play. Take, for example, the play "Kastner." Attending such a play is an excellent opportunity to invite historians, men of culture, and actors to a base and to hear about the period and about the issues raised by the play. We can build an entire day of creative cultural activities around the play.

Another example: one of the projects featured in the pamphlet is the "Sunday Project." As is known, every Sunday, thousands of soldiers gather in the four

major cities at points of organized travel to bases, where they wait long hours for transportation. Why should they not wait, for example, at the Heykhal Hatarbut? [Tel Aviv concert house] They can arrive there at 9 in the morning, listen to a matinee concert until 1130, and then be taken to the base. Can you imagine in what good spirits these soldiers will return to their base? I said a concert, but it can be a play, or some other cultural show. It is important for the State of Israel that thousands of soldiers listen to a concert or watch a matinee every Sundary morning. The image of the IDF would thus be greatly improved, and that would affect the entire country! This project is a dream to me, I sleep with it, wake up with it, and am continually pursued by it.

[Question] Do you have any other such "crazy" ideas?

[Answer] Plenty of them. One such is a weekly day of study in the IDF; just as we used to have a weekly "maintenance day" for vehicles, we would have a weekly "study day" on which soldiers can add to their education.

[Question] Do you believe that this is a practical idea?

[Answer] Let us assume that out of 50 possible study days in a year we manage to organize only 30. Try to visualize the picture: a whole base given to study for 30 days a year, some taking basic studies; some improving their Hebrew; some, who did not finish high school, graduating while in the army; and some could attend preparatory classes for university or accumulate credits through the "Open University." It is no secret that soldiers spend many hours sitting on their behinds and doing nothing. So why not read a book? I intend to restore the Pocket Books to their former size, so that they can fit in a shirt pocket; it will be heart-warming to once again see soldiers with books stuffed in their pockets.

I am preparing a joint project, together with the Diaspora Museum, for the 40th anniversary of the state. The topic is "Jewish soldiers in foreign armies." The Diaspora Museum will organize a mobile exhibition which will stop at the IDF bases, and to it we will attach a luxury catalogue explaining each picture in detail. You know, an American publisher who got wind of the idea is willing to bring it out in book form, without even having seen anything of it, and at a discount. The main thing is that they should let us get to work!

[Question] It would seem that your pamphlet features innovative ideas and practical proposals designed to improve the education of the troops. What kind of soldier do you aspire to shape?

[Answer] I aspire to educate a cultured army, which would radiate its values to the rest of the country, and would change the atmosphere currently prevailing. That is how the IDF once was, at the beginning of the road, when the best among the youth influenced the entire country. Then we did not have to seek ways of improving the IDF's image, because it had an excellent and unusual image! The IDF was then a model to be imitated. The basic conditions have not changed radically. The list of ideals has, if not grown, at least not shrunk. There is no reason why the IDF cannot resume its standing in the

consciousness of the Israeli people. It is true that the times have changed, methods have changed, and the people are different, but the goals are the same, and the potential is the same.

You see, I have a concert subscription, and I try not to miss any. Once they used to let soldiers go in for free and sit on the steps or in the aisles; today that is unfortunately no longer allowed. Soldiers sitting at a concert, even in the aisles, present a wonderful picture of young people who love music and culture. That is the dream, that is what the chief-of-staff expects from me, and that is what the people of Israel deserve. Provided they let us work!

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BRIEFS

EGYPTIAN CONSUL GETS ASSISTANT--The Egyptians have recently sent Muhsin Salim, aged 35, to their consulate in Elat, to serve as assistant to Consul Hasan 'Isa, who completes his assignment in Elat in approximately 11 months. Salim will later be appointed consul. The Elat consulate staff has recently been replaced, starting with the most petty officers to the first secretary. According to Hasan 'Isa, the status of the Elat consulate has been upgraded to consulate-general. His own status has also changed as a result, and he is now consul-general. [Text] [Report by Eytan Rabin] [Tel Aviv HA'ARETZ in Hebrew 16 Jan 86 p 3 TA] /9274

CSO: 4400/87

KUWAIT

CHAMBER OF COMMERCE, INDUSTRY IN SOLVING STOCK CRISIS EXAMINED

Manama SADA AL-USBU' in Arabic 19 Nov 85 pp 12-15

[Article: "In Kuwait, Chamber Dresses al-Manakh Wounds"]

[Text] Under various political and economic systems and in all countries, both in the advanced countries and in countries striving for progress, chambers of commerce stand guard over the economic interests and are a mirror sincerely reflecting the economic reality with its faults and virtues.

Because economic wounds leave deep scars in the bodies of developing countries, they cause the tasks entrusted to the chambers of commerce in these countries to grow bigger and this saddles these chambers with greater burdens and challenges.

But few of these chambers perform their responsibilities and are aware of their role while the others snore in deep slumber.

What the Kuwaiti Chamber of Commerce and Industry has done is a model embodying the ideal role of the chamber of commerce which understands its role in shouldering the responsibilities of protecting the national economy.

In Kuwait, but not elsewhere, the Chamber of Commerce and Industry has been striving to dress the still-bleeding wounds in the national economy's body resulting from al-Manakh Market crisis.

The chamber has not concealed the fruits of its efforts from the eyes of the press because it has nothing which it is ashamed to reveal and because it has no faults it wishes to hide.

The sisterly AL-WATAN published a full report by the Bahraini Chamber of Commerce and Industry on confronting the problem of bank loans which threaten the banks and financial institutions.

We believe it is proper to point out how the Kuwaiti Chamber of Commerce and Industry has bravely confronted the crisis experienced by the national economy there because we believe in the similarity of the

difficult circumstances to which the two countries, Kuwait and Bahrain, have been exposed in al-Manakh Market catastrophe.

We will review here only what the Kuwaiti Chamber has offered. As for comparing the two chambers in Kuwait and Bahrain, we will leave it to the reader alone to discover it, especially since he is fully aware of what is happening in the Bahraini Chamber.

Though the Kuwaiti Chamber of Commerce and Industry has tackled the issue of bank loans, it has not neglected to tackle objectively the conditions of the joint-stock public, anonymous and Gulf corporations, and the problems connected with the productive boosting of the economic cycle in the short run and with correcting the economic course in the long run.

Regarding the conditions of the joint-stock corporations, the Kuwaiti Chamber of Commerce asked the government not to neglect the small shareholders of these corporations. At the same time, the chamber asked the government not to permit anybody getting more than 100,000 Kuwaiti dinars from the Investors Fund, to benefit from the scheduled compensation. The Kuwaiti Chamber also proposed that the compensation not be made in cash payments but in the form of shares in the remaining or merged joint-stock companies, with the state paying the value of these shares within certain limits and according to certain conditions after eliminating the companies with a hopeless financial position.

As for the productive boosting of the economic cycle, even though the government statement to the National Assembly at the beginning of this year adopted many of the recommendations made by the chamber to the government, this has not stopped the chamber from objecting against the slow and hesitant executive steps that lack decisiveness and clarity.

The Kuwaiti Chamber of Commerce and Industry has not taken a negative stance, has not abandoned the issue, and has not thrown the burden of the economic problems on the government's shoulders. Rather, the chamber defines its view in this regard and defends it.

The Kuwaiti Chamber demands the formulation of a practical program that defines the methods and courses of government spending, spells out the priorities of the productive sectors of the local economy, evaluates each sector's profitability and problems, and projects the possibilities of each sector's and activity's development and growth in the medium and long range.

Even though the government program presented to the National Assembly contains these points, the Kuwaiti Chamber continues to emphasize its viewpoint and to surround it with the guarantees of success when it asserts that the outcome of studies and analyses must be used first and foremost to help the state adopt its final political decisions on the main economic and social concepts, the most important being the concept that activities must be capable of expanding the production base, the concept of demographic balance, and the concept of social welfare.

Here, the chamber stresses that the program pointed out by the government statement cannot be practical and beneficial unless the state defines its position on all these concepts clearly.

As for the problem of bank loans, the chamber has offered from the outset a clear definition of the problem of bank loans and has outlined the dimensions of this problem.

The chamber defines this problem as being "embodied in the loans which the private and joint sectors owe the Kuwaiti banking apparatus and whose payable returns or interest have become merely payable but uncollected revenues. Moreover, part of the original value of the loans has become as good as unrecoverable while collection of the other part requires an extension of the loan period and a breakdown of the repayment into installments."

This problem is attributable to the big drop, resulting from al-Manakh Market crisis, in the value of assets consisting of real estate, lands, and shares which borrowers mortgaged to the banks as collateral for their loans--a drop which has made some of the borrowers unable to repay the full sum of the loan plus the interest payable for it.

The second reason is connected with the rapid decline in the level of most private-sector economic activities in the wake of the enormous and abnormal leap. This decline has led to a drop in the cash flow of many of the debtors, thus affecting their financial ability to repay their loans and their installments upon the date of maturation.

The third reason is the refusal of some debtors to meet their obligations despite their ability to do so!

The fourth reason is the failure of the government to take precautions, while dealing with al-Manakh crisis, against the negative consequences of this crisis on the banking apparatus in particular and on the financial sector in general.

The Kuwaiti Chamber of Commerce neither exaggerated nor minimized in projecting the dimensions of the problem of bank loans. Because the indebtedness figures are of a confidential nature, the Kuwaiti Chamber has been guided by general indicators in defining the dimensions of the problem. The chamber denies that all the credits are doubtsful or "unserviceable."

However, the chamber considers the distribution of credit facilities to the various sectors as reflected in the statistics an inaccurate distribution because the banks are not certain of the actual spheres in which their loans are used. Consequently, what can be deducted from this figure as doubtful loans is countered by other doubtful loans distributed over other sectors. The chamber has estimated the size of the problem at 2 billion Kuwaiti dinars.

But this volume does not entirely represent dead loans but rather represents "unserviceable" loans whose costs the banks pay without getting any yield. This leads to a drop in the profitability of the banks and, consequently, to their weak ability to build up the reserves necessary for absorbing the dead debts and for rescheduling their loans. This is in addition to the fact that freezing this part of the banks' assets curtails their ability to finance new activities.

The acuteness of the crisis is escalating, especially since the "weight of the problem" is not equally divided among all the banks concerned because few of the banks can confront the crisis without asking the state for financial help. Consequently, the brunt of the problem is borne by a group of banks which will be unable to overcome the crisis without considerable financial aid from the state.

By defining the problem and determining its dimensions, the Kuwaiti Chamber has been able to define a number of general principles justifying the intervention of public money to solve the economic banking crisis.

The chamber has underlined the state's authority through justice and equality in applying the laws, in observing the legislation, and in bringing those proven guilty to account.

It has underlined the inviolability of the public's money and has protected the social, economic, and financial system.

It has stressed that the state should not act independently to find solutions and that it should cooperate with all the sides capable of making a positive contribution in this regard.

It has also emphasized the need for triliteral participation in solving the crisis, meaning participation by the debtors, the banks, and the state.

It has defined the debtor's role in his responsibility for excessive speculation and for failing to take into account the destructive perils of speculation. Consequently, the debtor must repay the debts he has accumulated without hoping that any of the debts will be abolished, except inasmuch as all his assets fail to meet the repayments, and without hoping that the debts will be divided into installments, except inasmuch as his financial position is salvageable and except by the degree that helps him to carry on with his activity and work and repay his obligations.

The chamber has defined the responsibility of the banks in the rush by some banks for easy profits without taking into consideration the rules of banking transactions. The chamber has demanded that the banks contribute to shouldering the losses by the degree that does not affect their reputation.

Moreover, the banks must put aside all their profits or some of these profits for a number of years to build the reserves necessary for absorbing the dead debts and to cover their share in rescheduling the loans.

The chamber defines the responsibility of the state in the lax application of the laws and controls, thus contributing to creating a crisis and even escalating the crisis by failing to heed the advice of the Central Bank which refused to approve the establishment of the Joint-Stock Investment Company in 1981 and 1982.

By defining the general principles and the dimensions of the problem, the Kuwaiti Chamber opened the door for the entry of public money into the solution circle. But in this respect, the chamber defines the framework of this intervention which it justifies on the basis of the program submitted by the Kuwaiti government to the National Assembly.

If the government decides that public money will intervene only if there is a possibility that the situation will be turned into a general problem and only to protect the financial, economic, and social system, then the government report itself stresses that it is necessary to find the proper and effective solution to settle the problem of bank loans and to bolster the financial position of the banks and financial firms on the basis of the government's concern to strenghten the financial position of the banks and to preserve the reputation of its banking and financial institutions abroad, on the basis that settling the bank loans is a fundamental and major step within the framework of any effort to revive the economic situation in Kuwait, and on the basis that protecting the state's banking institutions and financial firms is within the higher interests and that using public money to achieve this protection is considered ultimately a gain for, not a loss to, the national economy.

Consequently, the Kuwaiti Chamber found a number of other facts that strengthen the justifications for public money intervention to deal with the crisis of the debts and to bolster the financial position of the banking apparatus. The facts are these: The public's money is not used for gain or loss but to help maintain economic institutions that are capable of survival and beneficial to the national economy.

Second, the state itself owns more than one-third of the stock of the country's banking apparatus and nearly two-thirds of the stock of the financial firms, including the investment firms.

Third, the state actually shares the responsibility for the emergence and development of the problem. Therefore, it is only fair that it take part in shouldering the costs of dealing with this problem.

The Kuwaiti Chamber of Commerce and Industry did not stop at the limit of diagnosing, describing, and theorizing but went beyond to propose the measures necessary to deal with the problem experienced by the

national economy there. In this regard, the chamber has used the press as a friend and has not classified it in the enemies' column.

The Kuwaiti Chamber defines these proposals by answering three questions: How is the public money's intervention to take place, how much is needed for the purpose, and when is the intervention to take place?

The chamber also answers the questions. The intervention must take place, as the government pointed in its report, in the form of investing public money at interest rates below the market price--an investment which confines the possibility of loss to just losing a part of the annual yield represented in the difference between the interest rate at which the public's money is to be used to solve the crisis and the yield that can be achieved in the other ordinary investment opportunities.

The public's money must be used in two ways:

The first is to have the government place in the Kuwaiti banks foreign currency deposits at rates close to the market interest rates to replace the decrease or drop in the credit lines offered by the foreign banks and financial institutions.

The second is to have the government place in Kuwaiti banks deposits in Kuwaiti dinars at very low interest rates to make up for the revenues of the unserviceable loans advanced by these banks and to help the banks to build reserves to absorb the dead debts and to reschedule the repayment of loans owed by clients who have borrowed from these banks.

As for the second question, namely how much public money is needed for the purpose, the answer depends on two figures: The first is the volume of the "unserviceable" loans in each bank and the second is the number of loans each bank will be asked to give up and to transfer from the shareholders' profits to an account for absorbing the dead loans and to another account to meet the requirements of the doubtful loans. The volume of public money needed also depends on the duration of these deposits.

As for timing the state's interventionm the Kuwaiti Chamber disagrees with the Kuwaiti government on this point. The government report points out that this form of intervention will not take place until the banks "settle the loans and absorb the loss emanating from this settlement from the reserves they have accumulated." But the Kuwaiti Chamber believes that this intervention must take place immediately and that the state must advance this aid to every bank that demands it and proves its need for an estimated sum of the soft-term deposits until a well-studied and more accurate determination of such a bank's "unserviceable" loans is made and, consequently, until a final determination is made on the volume of aid such a bank needs.

To insure the national banking apparatus' obligations, considering that the Kuwaiti government has constantly underlined its eagerness for the soundness of the Kuwaiti banks' financial positions and to insure the depositors' rights, the Kuwaiti Chamber of Commerce finds it necessary, rather beneficial, that this declared policy gain a binding legal quality. The Kuwaiti Chamber, "within the framework of its efforts to serve the national economy's interest," stresses that this can be achieved by issuing a decree, or perhaps a law, stating that the State of Kuwait fully guarantees all the obligations of the Kuwaiti banks, including deposits, loans, and other credits, in terms of both the sum and the maturation date for the next 10 years at least.

The Kuwaiti Chamber asserted that such a measure eliminates altogether any fear emanating from the problem of indebtedness and any concern that may be generated by unexpected events.

To prevent an escalation of theproblem of the refusal of capable debtors to meet their obligations in the hope that the authorities concerned will reduce the size of these obligations, the Kuwaiti Chamber has asked the authorities concerned to issue an announcement stating decisively that these authorities are not thinking of reducing the amount of the loans, credits, interest payable, or interest accumulating in the future. The declaration should also stress that these authorities will not be obliged to accept the integrity and honesty of the statements the debtor presents on his financial position and that any falsification in these statements will result in deterrent penalties.

These authorities should also make it clear that only those who prove that amicable settlements will help them continue their activity in an accpetable manner and repay their obligations on time and in accordance with the terms stipulated by the settlements will benefit from such settlements.

The Kuwaiti Chamber also proposed the formation of a firm to manage the mortgaged assets and to purchase the difficult loans and that government aid to this firm be confined to long-range loans on soft terms. Instead of having the state advance to the banks directly all the required aid in the form of soft-term deposits, it can advance this aid or part of it to the proposed firm in the form of long-range loans on soft terms, considering this company's shareholders, namely the banks and financial institutions, guarantors of the loans, or each bank or institution according to its share of the capital. The state, represented in the Central Bank, will have direct and constant control over the firm's activities and over the decisions of its board of directors. The state will also have a fundamental role in formulating the policies and rules in accordance with which the firm is to operate.

The Kuwaiti Chamber of Commerce has a number of other steps and measures to facilitate dealing with the indebtedness problem, such as establishing the criteria compatible with the nature and dimensions of the problem and with the given facts of the Kuwaiti borrowers.

The Kuwaiti Chamber also demanded that the disputes between banks and debtors be settled through settlement of the debts existing between the two sides according to the real capabilities of the debtors and that this settlement be done through an arbitration committee concerned with examining these kinds of disputes.

The Kuwaiti Chamber urged the need to define clearly the concept of "proper housing and an honorable life" which the debtors must maintain during settlements between themselves and the banks.

The chamber further demanded a bolstering of the role of the Central Bank and of its various agencies so that it may be able to perform its planning, guidance, control, and corrective role capably, in the proper manner, and at the right time.

The chamber stresses that economic problems are really great and deeper than their initial phases show and that their continuation and slowness in confronting them daringly lead to their intensification and greater complexity.

This is why the chamber has asked the Kuwaiti government generally and the Ministry of Finance and Economy and the Central Bank in particular to formulate a plan to deal with the indebtedness problem--a plan relying on the visualization of numerous "scenarios" and assumptions to deal with the problem under its worst circumstances so that no unexpected surprises or complications will occur.

Thus, the Chamber of Commerce contributes to protecting the national economy and to defending the economic interests of the country it represents without exaggeration or belittlement. Chambers of commerce and industry are supposed to be a mirror reflecting a country's economic conditions and to perform the role of a sensitive balance that shivers under and reflects the slightest weight. Therefore, such chambers are required to warn of the economic dangers before they intensify and are entrusted with defending the economic issues. It is not necessary that the government push them to perform this task and it is not necessary that the chambers remain "sound asleep."

8494/12223
CSO: 4404/134

SECRETARY GENERAL OF ARMED FORCES ON CHRISTIAN SURVIVAL

Beirut LA REVUE DU LIBAN in French 9-16 Nov 85 pp 18-20

[Interview with Georges Adwan, secretary general of the Lebanese Forces (FL), by Evelyne Massoud; date and place not given]

[Text] With a faraway look in his eye and slow and measured gestures marking his sense of synthesis and detail, Georges Adwan, secretary general of the Lebanese Forces, does not fear moments of truth, even if he sometimes derives the advantage from them by admitting errors along the way. With him, one can speak openly and without hesitation of all controversial subjects.

President of the Mountain Bureau which, after the Zouk congress held on 6 July 1985, has included Haut-Metn, Aley, Shuf, Iqlim and eastern Saida, Adwan has personally taken up the problem of displaced Christians, without whose return he deems that any inter-Lebanese entente or geographic reunification of the country would be impossible.

Despite current problems going beyond the framework of the mountains, one had to put to the secretary general a number of questions which the people are asking somewhat openly. His answers to those questions are as follows: no hegemony of any one party over another; the FL do not intend to monopolize the Christian decision; no Lebanon without its sacred values: democracy and freedom.

Negotiating the Return of 400,000 Displaced Christians

[Question] You have personally assumed responsibility for the problem of the displaced Christians. It is you who brought it to the forefront of the national scene and made it a political priority. What fate does the imminent tripartite Damascus agreement reserve for them?

[Answer] Actually, I have helped give the problem its rightful value. The cause of the Christian refugees in Haut-Metn, Shuf, Aley, Iqlim and eastern Saida risked being forgotten. And yet, their geographic and demographic impact is impressive.

[Question] How many are there?

[Answer] Some 400,000 Christians, part of which did not live permanently in their villages. That figure represents native citizens and the inhabitants of those regions. One therefore risked forgetting them in negotiations dealing with the country's future.

[Question] Charitable works had been directed toward them although it was not charity they needed, but rather, justice.

[Answer] People were trying to view this problem from only the social standpoint. From the very beginning, we have had to fight the problem of neglect and give this cause its proper dimension in our society. A Lebanese solution that did not consider this problem would help to break up Lebanon. We all know that throughout history, Mount Lebanon was and remains the heart of Lebanon. At all costs, we had to give its soul back to this heart in any solution.

Not For Creation of a Christian Canton

[Question] If you supported the Christian canton running from Madfoun to Awali, you would have accepted the integration of these 400,000 Christians in the so-called "free" regions.

[Answer] I do not support that concept at all; on the contrary, I oppose it. I am for the return of all Christian refugees to whatever region they belong, in order to assure those refugees of a life with dignity and freedom on any parcel of Lebanese soil, a life in which political and religious convictions are respected. I am not for the creation of a Christian canton. I am for the contribution of every Christian to the fulfillment of the Lebanese nation. Throughout history, Christians have played this positive role.

If we look at the geographic map of Lebanon before the events, we see that Christians have lived in villages with persons of different communities. There are villages in which you find Christians and Druse, Christians and Shiites, Christians and Sunnites, but rarely villages in which Druse, Sunnites and Shiites lived together. Christians have lived with others while respecting their beliefs, dignity and civilization.

[Question] But it was enough for foreigners or subversive elements to intervene to bring everything into question. Then came the kidnappings, assassinations, collective murders, exoduses. Everything changed. After what has happened, that life together will be very fragile.

[Answer] Without a doubt, in our Christian life, what you say is true, but that must not prevent us from trying a formula for the future that would take the past experience into account.

[Question] Based on what, on what guarantees?

[Answer] We have, will have and rely on a single guarantee: our own. We belong to a generation that wants to take its fate in its own hands and that wants to rely on itself. Any other guarantee will not last and will be temporary and conditional.

Nevertheless, we will rely on the experience of the past to find its gaps and spare Christians of the future the massacres of which they have been the victims. Without a doubt, the experience we have lived in the mountains has been very harsh. In addition, following the example of others, it has enabled us to realize that if living together was difficult, it was almost more difficult or even impossible to live alone. I believe that the Druse are beginning to realize how great a guarantee the presence of the Christians is for them, how beneficial it can be. Insofar as they realize this, we can look to the future with some optimism.

[Question] According to what you say, can one presume that the FL have given up the idea of a Christian canton whose creation was attributed to them? Has that idea been abandoned once and for all?

[Answer] The FL have never thought about creating a Christian canton. They have never given up the idea of the return of displaced refugees to their own regions. I can tell you that the FL as an institution have never envisaged such a proposal.

[Question] In some circles, the FL are said to be responsible for the exodus of the Christians from the mountains, from Iqlim, from eastern Saida. Is it in order to make up for their mistakes that the FL are working for the return home of those Christians?

[Answer] Without a doubt, mistakes have been made and only those capable of recognizing their errors are capable of glimpsing the future and of finding suitable solutions. There are many who have tried to attribute to the FL all responsibility for the setbacks in the mountains, either for political reasons or in order to duck their responsibilities facing these displaced Christians. Objectively speaking and very simply put, I would tell you that the Christians have been forced to leave their villages because of their religious affiliation. It may be that errors have influenced the process, I do not deny it, but the main reason remains their religious affiliation. I believe that at the end of a certain amount of time, we have, along with those on the other side, enough objectivity and lucidity to admit it. Whatever the case, we must take up the cause of the displaced persons and we shall take it up until the end.

Political Accord

[Question] Are you ready to ensure the return to Christian regions of the Shiites, Muslims, in sum? Nabaa is still empty, is it not?

[Answer] When a principle of justice is set forth, it is a general rule. When we demand the return of displaced Christians to their villages, we thereby accept and with the same objectivity the return of the Druse, Shiites or Sunnites of Lebanon to our regions.

[Question] And you will guarantee their protection?

[Answer] We are completely willing to guarantee anything concerning them.

[Question] Who then will guarantee the protection of the Christians returning home in Shuf, Iqlim and eastern Saida? You cannot count on the army; we have seen what happened in its presence.

[Answer] I believe that if we are moving toward a political agreement and are conceiving a new vision of the future, then we shall have to discuss in detail the means of a new entente, which will be the subject of long discussions to be held, not by third parties, but by those involved. It is up to the Christians in the mountains, Iqlim and eastern Saida to discuss all the details of their return, around the same table, with the Druse. It is true that we are still far from that stage, still in the stage of principles. We must not brandish false hopes before the people. All that we can say is that there is already a basic understanding and that the principle of the return has been clearly accepted by the different sides.

[Question] It is easy to speak of the return home of displaced persons, but many of them, not to say the majority, have lost everything: their homes, their villages. Has everything been razed?

[Answer] I said that we agreed on the principle.

[Question] A lot of water will still flow under the bridge before the application of that principle can be envisaged.

[Answer] I would tell you that our intentions are very good, that following the experience in the mountains, Druse and Christians have basically agreed that their life together is a guarantee for the future of each. This forms a rather solid basis to apply a principle.

Radical, Definitive Solution

[Question] Have you personally participated in negotiations leading to the clause on the refugees in the tripartite Damascus accord?

[Answer] No. The meetings took place between the representatives of the FL and those of the other parties. One point of the agreement, paragraph 8, states the following: "Finding a radical and definitive solution for the return of all Lebanese refugees. Ensuring the right of every Lebanese refugee since 1965 to return to his land, his home, his job. Formulating the necessary legislation guaranteeing that right and providing the necessary means for reconstruction." I believe that everyone is now aware of the importance of the problem because, as I once said, any understanding for the future of Lebanon depends on the return home of the displaced persons from the mountains.

[Question] Assuming that such an agreement is soon concluded and duly signed, can you set a deadline for the return of the displaced persons?

[Answer] In the life of a nation, time is not counted in days, weeks or months. What one needs is to find solid, reliable bases for that return. Over the past 2 years, some have tried to solve the problem of the mountains on

partisan, non-national bases. They have tried to resort to fancy adjectives denoting the political affiliation of refugees in order to establish distinctions, classify the villages and regions, authorizing some to return and forcing others to remain elsewhere. I believe that time has shown that such an approach is false. The problem is not posed at the political partisan level, but at the national level. There is a problem to resolve between the Christians of the mountains and the Druse and that problem will be solved on this basis and not on a partisan basis. Otherwise, it never will be.

[Question] Could the Kataeb and the FL soldier return home?

[Answer] I do not view the problem in that way. Are the members of the FL not Christians, mountain natives?

[Question] But you have to admit that it would be difficult for them to return home.

[Answer] It is not difficult when the agreement being concluded is between the PSP, the FL and Amal's people. Why should there be an agreement at the leadership level and not between the rank and file? Either the rank and file and the leadership are one and the same or they are not. I believe they are. I believe that this problem is outdated and that we must now view the problem from another angle: not on the level of the Kataeb-FL, but on the Christian and Druse level. The failure of past attempts has shown that it will not be possible to envisage this problem from another angle in the future.

As we know, the displaced persons were divided based on their partisan affiliation. They learned -- and this is to their great credit -- to overcome internal quarrels and become part of our Christian society. Today, the displaced persons are no longer grouped around their political party, but rather, around a cause: their return to their homes, their villages. We must now view the problem as such. The Zouk congress on 6 July that brought together 400 persons from all villages showed that henceforth, the problem of the mountains must be considered in an overall manner rather than from a partisan standpoint.

Realistic

[Question] If the displaced persons returned home, would they live in mixed villages or would there be Christian villages, Druse villages, and so on?

[Answer] One must be realistic and recognize that miracles have become rare nowadays. Believing that the return of the refugees will take place overnight, as if by miracle, is to ignore reality. Once the agreement in principle has been concluded, a plan and schedule will be drawn up. It is normal that Christians from purely Christian villages will return before the Christians from mixed villages. This will not exclude the return of the latter in a later phase. As long as the agreement is general, as long as it concerns all Christians, nothing would prevent the plan from being carried out in phases so that incidental problems do not affect the general agreement.

[Question] While awaiting that return, how have you organized the daily life of the displaced persons during this tragic and, we hope, temporary period of their existence?

[Answer] What counts the most for these displaced persons is not their daily life, but their return. We know this and we are helping them to make it. But this does not prevent us from dealing with the daily aspect of their existence. When they arrived in our regions, the displaced persons felt foreign to our society because of the lack of that which was taken from them.

[Question] A society very settled in its own well-being, selfish and even hostile.

[Answer] A society that claims to be Christian and that is Christian in no way, a society that preaches principles and that acts in flagrant contradiction with those principles. Our society had to be made responsible and that took time. Nevertheless, I can tell you that we have been able to solve some problems by rousing the feeling of responsibility.

Thus it is that we have taken some 6,000 pupils into the schools of our regions and some 2,000 into the technical schools. To do so, we had to assemble the officials, directors or owners of the schools, explain the problem afflicting these displaced persons. Since there are nearly 300 institutions in our regions, every institution had to take some 20 students so that all displaced children would be accepted by the schools without any financial contribution or with a smaller contribution.

Our second objective was to settle the displaced persons in better lodging: hotels or resorts. The same work was done with the owners or directors of those centers. And it was thanks to their solidarity, their understanding, that we were able to achieve our goal. If that spirit of solidarity continues to be manifested and grows stronger, we shall truly be able to create a responsible society that can look to the future with great hope.

[Question] Why are you so interested in the problem of the mountains? Is it because you are from Deir el-Kamar?

[Answer] I am very attached to my native village and my attachment has undoubtedly helped rouse great interest in the problem of the mountains in me. But without a doubt, I have also realized that those people have paid the price of their membership in our society. Our society should therefore help solve their problems. Is Christianity merely a slogan for us? Are these principles merely demagogic? Are we capable of waging a just cause to its proper end? It was a challenge. I took it up knowing full well what I was getting into.

Representation of Christian Society

[Question] Let us get back to the tripartite Damascus agreement. Do you believe it will be signed soon? It has roused so much heated controversy!

[Answer] I prefer to limit this interview to the problem of the mountains. The question of the agreement is the province of the Executive Committee and

its chairman. I am part of an institution. I respect its rules and its discipline.

[Question] And yet, you can tell us whether you feel positively about it, whether that accord will truly mean the end of the fighting which everyone wants so much.

[Answer] Everyone has one desire: to have a just and lasting peace. It is up to each one of us to find in that agreement all the necessary elements ensuring its durability. I am among those people.

[Question] You speak of Christian society, of the return of persons displaced in the mountains. You negotiate; you make decisions. Actually, do the FL represent all of Christian society? Since this is a moment of truth and since you are an open person who accepts criticism and remarks, let us say that you have taken upon yourself the right to represent Christian society, neglecting other parties, particularly the Kataeb, from which you spring and with which you have come into conflict. We cannot understand what is happening. Can you enlighten us?

[Answer] We are in the process of speaking specifically about the problem of the mountains. I am speaking with you as president of the Mountain Bureau. That Bureau is not -- on this we must be clear -- an institution of the FL. It is an independent institution grouping displaced persons from the mountains without consideration as to their political affiliation. Within that Bureau, you will find people affiliated with the different parties and others who are not. They share a common cause: their return home amidst dignity.

[Question] Fine, but you are the secretary general of the FL and I address myself to you as such, for you do assume your responsibilities in that institution?

[Answer] Completely.

[Question] You are considered to be conciliating and to have built bridges between all Christians.

[Answer] It is my duty to be open and my conviction is to accept dialogue without conditions.

[Question] Then tell us if you can truly monopolize the Christian decision.

[Answer] I will answer you, although that is not part of our subject. We have neither the claim nor the desire to monopolize the Christian decision.

[Question] But you have done it.

[Answer] We have not done it. We are aware that the first thing to defend in our Christian society is the freedoms and democracy which are sacred. As long as it is our objective to free the Christian decision of all hegemony, we do not intend to free it in order to monopolize it ourselves.

I repeat: We have not monopolized the Christian decision, but by virtue of our action, our vigor, the fact that we are a force of renewal, means that we are in the forefront. Take the example of the cause of the mountains. If it has been identified with the Mountain Bureau, it is because that institution, through its determination, its work and its presence, has filled the vacuum due to the lack of other institutions. It is normal for the Mountain Bureau to be the legitimate spokesman for the displaced persons. The opposite would be antidemocratic.

I ask you where there is any hegemony. You are afraid of change, of renewal, of dynamism. You want to drown responsibility. If you want to live in the past, that is your problem. You have the reaction of the traditionalists who do not want to work or let others work. Our attitude is the opposite of yours. Every time there is a responsibility to assume, we shall assume it.

In no way does this mean that we intend to monopolize the Christian decision, which belongs to the Christian society. We do not want to speak alone and independently of the others; on the contrary! As for your question, I believe you said we in the FL spring from the Kataeb. That is not true. The FL are an institution grouping representatives of the PNL, the Tanzim, the Guardians of the Cedar.... The serious mistake on the part of the Kataeb, perhaps, was to monopolize the FL and try to make them an institution completely dependent on the Kataeb Party. We do not want to make the same mistake and turn Christian society into a society completely dependent on us.

The survival of Christian society is linked to freedom and democracy. Any violation of that principle would mean the self-destruction of our society. I am only too aware of that.

Different Future

[Question] Who is behind the FL? Are there precise personalities behind you, a Kaslik brain, perhaps?

[Answer] Unfortunately, you live in another century, in which it is always necessary to find international explanations, bombastic phrases, great powers behind phenomena that must be viewed very simply and directly. I want to tell you that we are entirely responsible for our decisions, that our generation, which formed the resistance, will know how to make peace.

This generation is responsible for its decisions. This generation knows exactly what it wants; it knows how to obtain it. It alone is master of its decisions and it will go to the end in its work for the good of society. Behind us is the memory of our martyrs; there is our history as Christians in this region. Ahead of us is a future that we hope will be different from the one we inherited.

We have confidence and faith in ourselves. The times of relying on others is past. You have to get used to living in your time.

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CSO: 4419/7

FUEL SUBSIDIES POSE BUDGETARY PROBLEM

Beirut LA REVUE DU LIBAN in French 9-16 Nov 85 pp 68-69, 92-93

[Text] While there is once again talk of a somewhat imminent normalization of the situation, the matter of the elimination of fuel subsidies has once again arisen. The last time it figured on the Cabinet agenda. One of the problems to be solved is the growing budget deficit and the fuel subsidies are considered to be one of the causes of the budget deficit.

These facts do not cover recent years. With the sharp increase in the dollar at the end of 1984 and in 1985, estimates of subsidies linked to the price of the American currency have been made as follows.

Nor is Lebanon the first country to face similar problems. At the beginning of 1977, Egypt experienced it and suffered pressure from its creditors. The increase in prices following the lifting of subsidies on basic products caused the riots of January 1977. Since that time, the Egyptian Government has had to make concessions. In fact, these subsidies still represent some 20 percent of the deficit in the country's public finances.

In August 1983, Algeria also had to take preparatory measures connected with the price increase. The operation seems to have gone smoothly. This is also true of Morocco during the same period, but it had disturbances in January 1984. Tunisia took sudden measures in November 1983, with the well-known consequences.

This does not mean that possible measures in Lebanon would produce the same effects. The Lebanese have much deeper issues of anguish and suffering.

And yet, the matter of the subsidies has direct and indirect implications for the national economy, the standard of living of social classes with limited income, the situation of public finances, the monetary situation, inflation and the high cost of living. That is why we must view it from four angles: 1) the cost of subsidies for the public treasury; 2) who profits from subsidies directly and in short-range terms; 3) who suffers from the subsidies; and 4) the economic and social consequences of a possible elimination of the subsidies.

Cost of Subsidies

This cost is apparent through the deficit in the Autonomous Fuel Fund, which is covered by the government's budget. The balance in that fund has evolved as shown in Table 1 [below] from the Ministry of Finance.

The information is approximate in the absence of the closing of the accounts since 1977 and is in contradiction with data from the Ministry of Industry and Petroleum, which we show in Table 1.

Table 1. Balance in Circulation of Autonomous Fuel Fund[1] (in millions of Lebanese pounds, LL)

Year	1977	1978	1979	1980	1981	1982	1983
Surplus	226						
Deficit		236	171	57	151	350[2]	375[2]

[1] Based on estimates of the Ministry of Industry and Petroleum.
[2] Estimates. Source: Ministry of Finance, Treasury Department.

Table 2. Balance in Circulation of Autonomous Fuel Fund[1] (in millions of Lebanese pounds)

Year	1977	1978	1979	1980	1981
Surplus			45		
Deficit	10	50		400	800[2]

[1] Based on estimates of the Ministry of Industry and Petroleum.
[2] Estimate. Source: Ministry of Industry and Petroleum, General Directorate of Petroleum, "Petroleum Statistics," 1980, p 97.

Table 3. Deficit of Petroleum Sector in Terms of the Price of the Dollar

Price $-LL	Value of Purchases, 000 LL [sic]	Deficit 000 LL
8	5,543,100	233,036
9	6,235,988	925,924
10	6,928,875	1,618,811
11	7,621,763	2,311,699
12	8,314,650	3,004,586
13	9,007,538	3,697,474
14	9,700,425	4,390,361
15	10,393,312	5,083,248
16	11,086,200	5,776,136
17	11,779,087	6,469,023
18	12,471,975	7,161,911
19	13,164,862	8,547,686

We have tried to show the distribution of subsidies granted to the different types of fuel in the following table:

Table 4. Estimated Distribution of Fuel Subsidies 1980, 1981, 1982 (in millions of LL)

Year	Gas for Pub. Trans.	Gas Oil Baking	Fuel oil Heating & Electricity	Fuel Oil	Liquid Gas	Kerosene	Deficit Tripoli	Total
1980	72	12		266			250	600
1981	75	50	123	220	12	22		502
1982	75		123	220	22	73		

Source: For 1980, Ministry of Industry and Petroleum; for 1981, Letter from the 1982 Budget, pp 47-48.

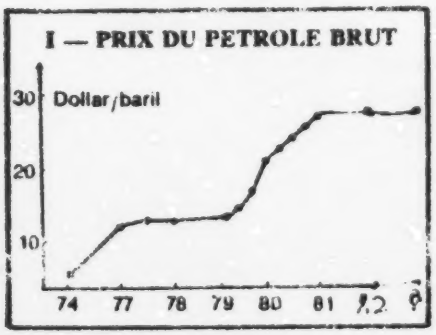
We thus have an estimate of all subsidies on the order of 600 million pounds for 1980, based on the Ministry of Industry and Petroleum, and 502 million LL for for 1981, according to the Ministry of Finance (Letter from 1982 Budget).

It is likely that the overall amount of these subsidies will be stabilized in 1982 with the settling of crude oil prices and the drop in the price of the dollar compared with the Lebanese pound at the time. For 1983, the drop in crude prices was largely compensated for by the increase in the dollar compared with the Lebanese pound, but the consumption of fuel had to be reduced an and in different ways due to the deterioration in the political-military situation.

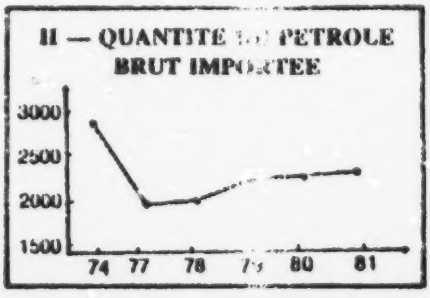
However, the total amounts of subsidies vary so much from year to year and from one source to another that it will be necessary to have the final figures from government budgets in due form in order to formulate a final opinion.

This increase in the deficit of the Autonomous Fuel Fund stems from several combined factors: 1) the increase in quantities of oil products consumed, as illustrated in tables 5 and 6; 2) the increase in crude prices illustrated by Graph 1; 3) the increase in volumes of crude oil imported illustrated by Graph 2; and 4) the increase in prices, which was not enough to make up for cost increases.

Graph 1. Crude Oil Prices



Graph 2. Amount of Crude Oil Imported



Who Profits From Subsidies?

Households are by far the leading consumer of fuel oil with 50.3 percent (mainly for heating). They are followed by the sector of the production of electricity (some 30 percent) outside of the Zouk and Kadisha plant.

Bakeries are only in third place, far behind (about 9 percent), also followed by industry and agriculture.

As for the industrial consumers of fuel oil, they are in third place.

Over 70 percent of all consumption comes from the cement works, the rest being distributed over a small number of factories and 1.02 percent going to the AUB. In addition, there is the fuel consumption of the Jiyeh and Kadisha electric power plants.

This attempt at categorization, aside from all its limitations, clearly indicates that all social categories in Lebanon benefit from the subsidies, particularly the low-income groups. Their consumption of bread, public transportation, fuel for heating and electricity constitutes a percentage of their monthly consumer spending which is greater than that of higher income groups.

In addition, large enterprises benefit from the subsidies (kerosene for national aviation companies, electricity production companies, building materials industries, and so on).

To Whom Are Subsidies Harmful?

These subsidies are directly harmful to the budget balance and constitute a growing fraction of the public finance deficit. That deficit has evolved as shown in Graph 3 [below].

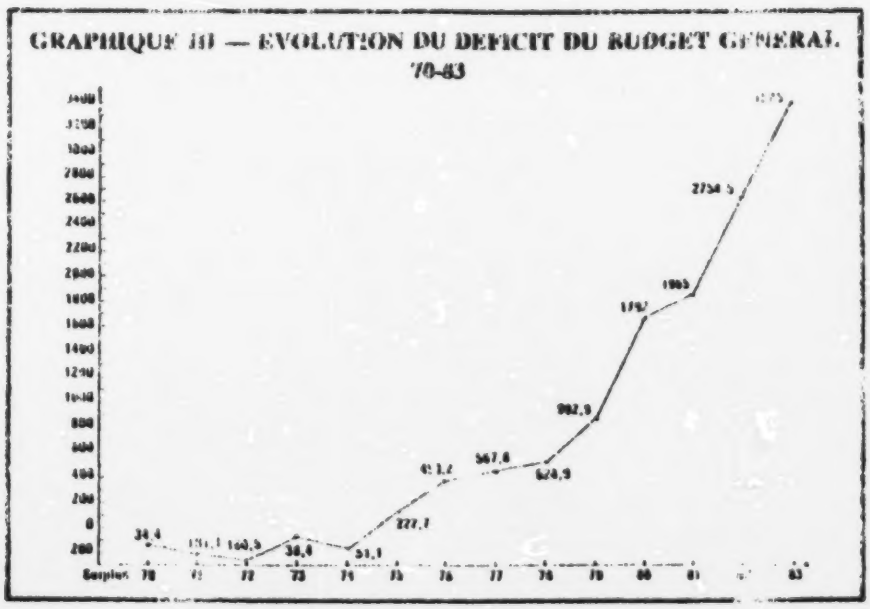


Table 5. Oil Products Distributed 1974-1980 (in tons)

Product	1974	1977	1978	1979	1980
Gas	546,177	390,867	480,807	524,217	591,787
Medreco	98,691	92,014	117,096	214,773	263,184
Tripoli	447,486	298,853	363,711	309,444	328,603
Jet fuel	206,187	110,515	127,339	115,363	166,110
Medreco	93,230	42,438	45,823	64,998	72,092
Tripoli	112,957	68,077	81,516	50,365	94,018
Kerosene for lighting	21,251	21,501	20,063	23,056	34,976
Medreco	7,278	12,313	10,861	12,875	24,578
Tripoli	13,973	9,188	9,202	10,181	10,398
Gas oil	414,319	244,430	324,884	367,301	410,808
Medredo	118,903	73,233	121,809	183,597	211,215
Tripoli	295,416	171,197	203,075	842,304	199,593
Fuel oil	813,511	621,628	579,494	842,304	949,814
Medreco	344,614	258,109	254,504	411,159	450,758
Tripoli	468,897	363,519	324,990	431,145	499,056
Liquid gas	63,142	28,785	32,763	33,160	19,824
Medreco	15,047	8,432	9,559	10,235	11,425
Tripoli	48,093	20,353	23,204	22,925	8,398

Comparing the amount of fuel subsidies with the bidget deficit for 1982 and 1983, one notes that these subsidies caused 10 and 10.6 percent of the deficit respectively. That deficit is essentially financed by treasury bonds and in addition, by a debt to the Bank of Lebanon and foreign lenders. In order to estimate the inflationary role of the subsidies, one should compare the evolution in the budget deficit and the increase in the monetary mass.

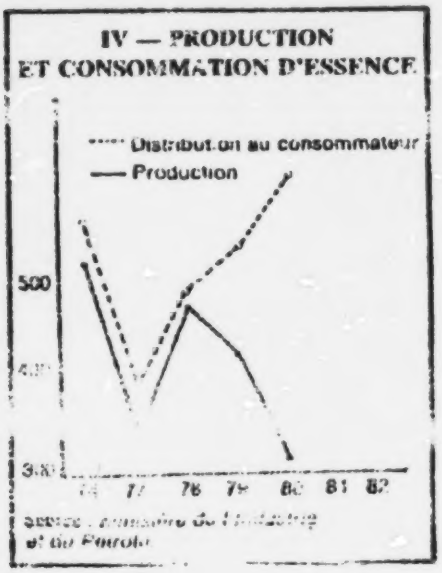
We note that the budget deficit contributes to the increase in the monetary mass in an irregular, upward manner. The average of that contribution was 21 percent during the last 6 years studied.

We estimated that the contribution of subsidies to the budget deficit in 1982 was 10 percent, and that deficit contributed 34 percent of the increase in the monetary mass. Therefore, these subsidies contributed to 34 percent X 10 percent = 3.4 percent of the increase in the monetary mass in 1982.

Consequently, the subsidies are inflationary and contribute to the increase in prices. In 1982, that increase could be estimated at some 16 percent (average of indexes of the CGTL and the CCIB). The subsidies therefore contributed to about 21 percent of that price increase: 16 percent X 21 percent = 3.36 percent.

To this one must add the fact that these subsidies are on partially imported products, crude oil and especially gas. The growing deficit in local gas refining is illustrated by Graph 4 [below].

Graph 4. Production and Consumption of Gas



Key:

1. Distribution to the consumer 2. Source: Ministry of Industry and Petroleum

The state of security and difficulties in supplying refineries with crude (and the partial destruction of the Tripoli refinery in 1983) have only increased imports of refined products since 1978. These subsidies therefore help increase imports and the deficit in the trade balance and balance of payments.

This consequence is all the more important because gas prices rose 400 percent between 1974 and 1977, while the prices of gas oil and fuel oil rose 1,000 percent during that same period. It is gas and fuel for which the percentage of imports is the highest.

One can see that these subsidies, while relieving the burden of low-income family budgets and some basic industrial activities are a substantial factor of inflation by virtue of the swollen budget deficit they cause and the deficit in the trade balance and balance of payments.

Economic and Social Consequences of Possible Elimination of Subsidies

We can list the consequences of a possible elimination in fuel subsidies:

1 -- Increase in Cost of Producing Bread

Actually, a ton of gas oil delivered to the bakeries would go from 350 LL to 1,200 LL. The price of a kilogram of bread, all other things being equal, would evolve as shown in Table 6.

Table 6. Evolution of Cost of Producing 1 Kilogram of Bread Following Elimination of Fuel Oil Subsidy (in piasters)

Before Elimination		After Elimination	
Price of flour	70 PL	Price of flour	70 PL
Price of fuel oil	3 PL	Price of fuel oil	10 PL
Other costs of production and profits of bakery	152 PL	Other costs of production and profits of bakery	152 PL*
Total	225 PL	Total	232 PL

The increase in the price of electric power resulting from the elimination in fuel subsidies and amounting to only a half piaster in the cost of 1 kilogram of bread was not included. Source: Ministry of Economy and Commerce.

The price of bread would therefore increase by 7 PL, or 3 percent.

Increase in Cost of Lighting and Heating

These increases can be estimated as in Table 7.

Table 7. Total Sales and Subsidies for Certain Types of Fuel in 1981

Type of Fuel	Total Sales (millions of LL)	Total Subsidies (millions of LL)	Percent of Subsidies
Gas oil	1,100	208	18.90%
Lamp oil (kerosene for lighting)	1,200	259	21.58%
Total	2,300	467	20.03%

Source: Letter from 1982 Budget, p 49.

These two products are essentially used to heat and light homes. Their price would go up about 20 percent on the average, which would therefore affect the price of heating and lighting homes by that amount.

Increase in Cost of Electric Power

Information available relating to the Office of Electricity of Lebanon (Letter from 1982 Budget, p 47) concerns 1981. For that year, fuel subsidies used at the power plants of that office amounted to 190 million LL for fuel oil and 31 million LL for gas oil, or a total of 221 million LL. Consumption of electric power from the OEL network in 1981 amounted to 2.6 billion kilowatt-hours. The subsidy per kilowatt-hour was therefore 8.5 PL. Elimination of gas oil and fuel oil subsidies would require an increase in the rate per kilowatt-hour of the same order. Considering 34 PL/kWh to be the average rate to the consumer (average of the rate for the first 100 kWh and that for the upper level at the time), the increase in the rate should be 25 percent in order not to increase the OEL deficit.

Increase in Cost of Private and Public Transportation

The elimination of gas subsidies for public transportation vehicles (taxis, buses and trucks) and kerosene subsidies (for national airline companies) would cause an increase in the cost of transportation that we estimate as follows (for 1981, based on information from the 1982 Budget Letter and the Ministry of Interior):

Percentage of increase in gas price:

$$\frac{\text{Subsidy}}{\text{Total sales}} = \frac{248 \text{ million LL}}{1500 \text{ million LL}} = 16.5 \text{ percent}$$

Percentage of increase in price of kerosene:

$$\frac{\text{Subsidy}}{\text{Total sales}} = \frac{22 \text{ million LL}}{1303 \text{ million LL}} = 1.68 \text{ percent}$$

Percentage of increase in price of gas used by public transportation vehicles:

$$\frac{\text{Daily Reimb.}}{\text{Average consump.}} = \frac{16 \text{ LL}}{66 \text{ LL}} = 24.2 \text{ percent}$$

This latter increase should be added to the increase in the price of gas in general.

Available studies of the structure of transportation costs per automobile vehicle in Lebanon estimate the share of fuel in the total cost of transportation at: 25 percent for private automobiles; 37 percent for buses and taxis; 18 percent for trucks; and 43 percent for planes.

We can thus estimate the effects of the elimination of fuel subsidies on the cost of the various modes of transportation, as shown in Table 8.

Table 8. Increase in Cost of Transportation Following Elimination of Fuel Subsidies

Mode of Transport	Share of Fuel in Cost	Percent Increase in Fuel Price	Percent Increase in Cost of Trans.
Private automobiles	25%	16.5%	4%
Buses and taxis	37%	40.7%	15%
Trucks	18%	40.7%	7.3%
Planes	43%	1.6%	.7%

It is clear that the buses and taxis used in public transportation that will experience the greatest increase in cost because the vehicles enjoy a double subsidy: the general gas subsidy and a special gas subsidy for them, based on a daily average.

Direct Increase in Cost of Industrial Production Resulting From Elimination in Fuel Oil Subsidies

The amount of these subsidies was estimated at 30 million LL in 1981, while industrial production was estimated at 3 billion LL that same year. The direct increase in the cost of production would be an average of 1 percent. That increase must be weighed at 40 percent of its value, the latter percentage representing the share of Lebanese production in the use of industrial products in Lebanon.

Effect of Increases on Cost of Living

We can estimate that effect through coefficients used to estimate the 1980 price index. As far as we are concerned, the following coefficients should be retained:

The cost of heating, lighting and electricity made up 4.05 percent of an average family budget.

Costs of transportation and of a private automobile made up 5.2 percent of an average family budget.

Industrial products made up 20 percent of an average family budget.

We shall estimate the effect, using the above coefficients to weigh average percentages of increase in the corresponding items (see Table 4).

This gives us a total increase of 1.56 percent of the cost of living for an average household.

Overall Social and Economic Consequences

On an overall quantitative level, elimination of the subsidies would increase the cost of living by 1.56 percent, while these subsidies contribute to the increase in that cost to the extent of 3.4 percent. This might lead one to think that the lifting of subsidies on fuel would on the whole permit a drop in the rate of inflation of 3.4 percent - 1.56 percent = 1.84 percent a year on the average. This would seem to be true on the whole.

But most of the goods and services subsidized constitute more important items for the budgets of households with limited incomes than for wealthier households. Bread and public transportation are good examples.

In addition, the elimination of subsidies would positively affect the balance of payments. This, along with the reduction in the budget deficit, would raise the rate of exchange of the Lebanese pound compared with foreign currencies, thereby limiting the price increase on imported products and its impact on domestic prices. But this movement of the Lebanese pound would risk helping imports and hurting exports.

Table 9. Effect of Elimination of Fuel Subsidies on Certain Items in the Household Budget (1980-1981)

Item	Coefficient Used	Average Increase of Item Price	Effect of Increase on Household Budget
Heating, lighting, electricity	4.05%	22%	89/10,000
Transportation	5.2%	8.8%	46/10,000
Bread and bakery products	4.4%	3%	13.2/10,000
Industrial products	20%	0.4%	8/10,000
Total			156/10,000 = 1.56%

However, one must not underestimate the effects of the elimination of subsidies on the quantities of fuel consumed because since most of that fuel was comprised of basic commodities, consumption is relatively inflexible compared with the price. Adaptations are coming about only slowly and with the aid of energy conservation programs that are generally carried out by the government (the development of solar, and wind energy, mass transportation, better insulation of housing, and so on).

Conclusion

The policy of reducing or doing away with subsidies on immediate or intermediary consumer products, sometimes inspired by financial and monetary orthodoxy and often advised by the IMF, is essentially aimed at helping balance public finances and also foreign payments. But this policy is often expressed by sudden cutoffs in income of the poorer social classes, which has not failed to produce social and political upheavals in more than one country (Egypt, Tunisia and Morocco). The case is not exactly unlikely in Lebanon, where the people suffer from much more painful problems.

And yet, if these measures must be taken, they must be accompanied by policies aimed at correcting their negative effects on the distribution of income by developing, in short-range terms, the following activities with the aid of the sums saved: efficient and economical mass transport; the construction of housing, using local materials, labor and know-how; better control of inflation by halting speculative activities and stimulating productive activities; improved collection of taxes, particularly customs duties, so as to stimulate local production.

In the long run, it is necessary to develop: the use of hydraulic, wind and solar energy; the Tripoli and Saida refineries, while providing a third refinery in between; the use of the coastal railroad line for rapid and economical haulting of passengers and goods; a reorientation of public finances so that the fiscal system will be fairer socially and more effective economically, particularly by orienting part of the public spending in order to relieve certain bottlenecks: the crisis in traffic and transportation, low productivity of agriculture, industry, construction and domestic trade.

This policy of subsidies and their possible partial or total elimination can therefore only be considered from the purely financial standpoint. It must be placed within the framework of an economic and social policy of national development and advancement.

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CSO: 4419/7

BRIEFS

SOVIETS PROVIDING MILITARY TRAINING--London, 10 January, IRNA--Soviet occupation authorities in Afghanistan are said to be providing military training to the office bearers of Parcham and Khalq factions, Agency Afghan Press (AAP) reported. AAP sources quoted Karmal officials as having reported that 'selected officers' unfamiliar to the Afghan masses were deputed for receiving the training. Political observers believe that the new strategy is aimed at introducing 'new faces' as well as to give the impression that Soviet occupation authorities want changes in the Karmal administration. [Text] [Tehran IRNA in English 1445 GMT 10 Jan 86 LD] /12913

MUJAHIDIN MILITARY OPERATIONS--During fierce battles fought by the Afghan Mujahidin against the joint Soviet-Karmal forces in Qandahar and Oruzgan, they shot down four fighter planes and a helicopter and killed a prominent officer and an assistant pilot. Afghan Mujahidin sources stated that, last month, the Mujahidin killed 100 members of the joint forces and destroyed 20 tanks, a number of troops transporters, and other military vehicles. Following these audacious operations, the joint forces shelled the aforementioned regions, martyring approximately 100 civilians. Meanwhile, the Afghan Mujahidin today captured a military camp in Qandahar, killing three Karmal regime military personnel and wounding 25 others, including the deputy commander of the camp. [Text] [Tehran International Service in Arabic 1100 GMT 11 Jan 86 GF] /12913

CSO: 4604/22

IRAN

PROSECUTOR URGES RETURN OF PROPERTIES TO RIGHTFUL OWNERS

Tehran KEYHAN in Persian 20 Nov 85 pp 1-2

[Text] A meeting was held yesterday afternoon for members of Article 49 of the Constitution's special executive councils located in ministries and government organizations. The meeting, attended by Hojjat ol-Eslam Musavi Khoini'ha, Prosecutor General, and Hojjat ol-Eslam Ramazani, Deputy Prosecutor General, took place at the Economic Affairs Office at the Economic Branch of the Revolutionary Prosecutor's Office.

After several verses were read from the glorious words of God, Hojjat ol-Eslam Ramazani discussed the problems and issues which have been raised by members of the special Constitution Article 49 executive groups, and called for more concern and attention for these issues.

Prosecutor General Hojjat ol-Eslam Khoini'ha then spoke on the implementation of Article 49 of the Constitution. He said: If we want to do what will please God and Islam and what the people are asking for, then the issues the brothers have raised can be resolved. If we are uncertain about whether to do this or not, however, certainly other problems will emerge if the existing ones are solved. If we consult the people, however, this idea is at least reflected in public opinion, among the oppressed people, those who were tormented under the former regime. In general (except a small group of sick and sinful people), our society wants the Islamic republic, and especially the judicial system, to do this (implement Article 49 of the Constitution), and to do so seriously and decisively, so that we can recover illegally obtained property from usurpers and return it to its rightful owners.

He added: This is being demanded by all segments of society, the clergy, the representatives of the Majlis, the country's high officials, the merchants and mid-level market people, and government office employees, with the exception of a small corrupted segment that lived in the service of that plundering

minority and still longs for a return of the shah or his successor. The working classes expect all of these religiously lawful and God-pleasing acts to be carried out by the Islamic republic.

Thus in order for us to carry out this responsibility the most important condition is that it be religiously lawful and Islamic and have the support of the various classes of people. Therefore, if it is the wish of our Muslim people, if Islam requires it of us, if what we do pleases God, if faithful hearts are insisting on this measure, and if imperialist hearts tremble with the thought of it, there will be no basic or major problems and no legal problems, because legal problems can be resolved by the country's law-making apparatus, and we have representatives in the Majlis who, like the people, support this measure.

You brothers must collect your problems, proposals, and views and deliver them to the judicial power, so that they can go from there to the Majlis in the form of a bill to be resolved and settled.

The Prosecutor General discussed this issue, which is not being treated sensitively enough in the campaign against the profiteers and squanderers of the rights of the oppressed, even though in the long run the danger from these people is even greater than that posed by armed terrorists. He said: Islam has placed great emphasis on the necessity of combatting those who squander the rights of the people, and on the necessity of returning illegally obtained wealth to its owners. It is most unfortunate that we have lost our sensitivity and repugnance for usurers. Do we despise usury, just as the Koran has called it sinful and ugly? Why has a law that was passed a year ago by the Majlis not yet been properly implemented, and why do its problems remain unresolved?

Concerning this, he said: Of course the Majlis should not take the initiative in this. The judicial and executive powers must present the law's problems and difficulties to the Majlis, and in such cases we must display sufficient sensitivity. With regard to the problems caused by lack of sufficient sensitivity to the issues, the Prosecutor General said:

As a case in point, there are movie theater owners, and God knows how much corruption they previously generated in this country.

Should they be asked how much money they made at these theaters from showing these destructive films and from the corruption they created? Should this money be taken from them?

It is surprising to the people the way these corrupt people are still living more comfortably than others in the country. Why should the owner of a theater or a usurer who abused the rights of the people under the former regime have the courage now to complain to the prosecutor?

We should be so contemptuous of these corrupt people that they don't even have the courage to hold their heads up, much less to come and complain against the judicial apparatus.

This is what happens when our sensitivity weakens. If we do not raise our public sensitivity to perpetrators of sin and corruption, the plunderers of public wealth, and those who accumulate treasure from sacred wealth, they will become bold and rude. Is there as much public contempt in society today for usury as that shown with sensitivity in the Koran for instances of usury and sin?

Previously I spoke on the subject of not wearing veils. Now some ignorant people who do not understand the profundity of the matter are speaking out here and there. They say:

It is clear that the judicial powers have not yet set a specific policy for dealing with uncovered women. They say that these matters have economic roots, and their remarks are Marxist.

The people who say these things understand neither Marxism, Marxists, nor what I am saying. In any case, it is clearly a sin to go without a veil. No one has said it is permissible, so the practice of going uncovered must be fought, no one has said the cause should be abandoned.

What I say, however, is this: If believing and religious people who wish to please God are so contemptuous of uncovered women, why aren't they just as contemptuous of a usurer? Why don't they become as disturbed over the fact that a usurer is free today in the city streets of the Islamic republic as they do over the presence of an uncovered woman? This sensitivity is not in us, and since it is not you can see that they brought forth an item in the Constitution called Article 49, and its implementation was then delayed, until the Majlis took heed and wrote a pertinent law. However, it was passed only a short time ago and already we are lamenting the fact that it has problems here and there. If you and I had the sensitivity of which I am speaking, in the first month after passage we would have dealt with the problems in the implementation of Article 49, and they would have been solved by today.

The Majlis took the initiative and asked the government to submit a bill, so at this point the Majlis was ahead of us, but the Majlis is not the executive power. The judicial power and the executive power must write the laws, and then if there are then problems, we will submit corrections.

He added: Society is now demanding insistently that illegally obtained and plundered wealth be taken from plunderers and returned to its owners, and this is the demand of Islam.

As long as the plunderers of the wealth of the people and the treasury are in society, and there are oppressed people and people rights have been squandered are living alongside them, there will be corruption, and it is the Islamic government's important responsibility to take illicit wealth out of the clutches of plunderers and return it to the original owners. When Islam and our people ask for such a thing, it will undoubtedly be possible to carry out if the executive officials are decisive.

Continuing his remarks, he said: People who have obtained wealth through illicit means will obviously use it illicitly. Therefore, if this illicit wealth is not taken from them, they will continue with their corruption.

He called upon members of the special Constitution Article 49 implementation groups to compile their views and problems so that they can be made available to the Majlis.

Concluding his talk, the Prosecutor General gave the audience several points concerning the necessity of protecting the dignity of the pious and the innocent in the course of carrying out obligations.

9310
CSO: 4640/143

IRAN

OFFICIAL ANNOUNCES PROPOSED PLAN FOR CONFISCATED LAND

Tehran KEYHAN in Persian 20 Nov 85 p 3

[Text] Tonkabon--KEYHAN Correspondent--A plan has been prepared for utilizing thousands of hectares of confiscated lands in the north, including tens of orchards, villas, and factories. The supervisory council for these lands, which had prepared the plan and submitted it to the government, last week took the first steps to identify the owners of the villas, sell the orchard crops, and to study the manner of supervising factories constructed on confiscated land in the north.

In an interview with KEYHAN'S correspondent, the spokesman for the executive council for the supervision of the country's northern confiscated lands announced this and said:

This plan, which consists of proposals from members of the northern confiscated lands supervisory council, will stipulate the manner of utilization, the proportion of government shares, the villages in the region, and the forces which are ready for operation.

On the basis of this plan, a percentage of the principal or the proceeds of the lands with their improvements, including villas, citrus orchards, and factories, will be turned over to the government, and a portion will also be allocated to production plans for unemployed high school graduates. Another portion will also be allocated to villages in the region.

'Aynollah Setayesh, Tonkabon and Ramsar Revolutionary Prosecutor, spoke to our correspondent in the capacity of spokesman for the executive council for the supervision of the country's northern confiscated lands. He said:

After the order was issued by the Prosecutor General to confiscate the northern jungle lands of those affiliated with the former regime, known as 10-hectare parcel order, a council consisting of the Friday imams, the religious magistrates, the prosecutors' offices, and the municipal governors general was

formed. The regional governments containing these lands were given the responsibility of supervising and protecting the confiscated lands.

Final Supervisory Council Decisions

The council's first step was to mobilize representatives of the municipal governors general, the aid staff, the reconstruction crusade, and the council for transferring lands so they can identify these lands. Then a questionnaire was given to the current owners of the villas to be filled out for later examination. At the council's last meeting arrangements were made so that in the event that factories currently belong to owners of the parcels they are on, managers and officials will be appointed, in order to resume operations after they are reopened. Likewise, the Tonkabon and Ramsar Islamic revolutionary prosecutor's office issued an order to sell the crops of orchards located on the lands under discussion. Council representatives are appraising the crops and marketing them through auctions. The proceeds will be deposited with the prosecutor's office until a final determination is made of their disposition.

He added:

Likewise all owners of the transferred lands in West Azarbaijan have been given ten days' notice to report to the Tonkabon and Ramsar Islamic Revolutionary Prosecutor's Office within 15 days so that the status of their land can be studied and their responsibility made clear. He announced that the confiscated lands in West Azarbaijan total 5,000 hectares, divided into 500 10-hectare parcels.

Our correspondent reports that these decisions were made at a joint meeting with judicial, executive, and political officials in the cities of Nowshahr, Jalus, Tonkabon, Ramsar, Jalus, Tonkabon, and affiliated departments in the household of the Tonkabon Friday imam.

This meeting was attended by Hojjat ol-Eslam Rahmat Nahvi, Naqib'pur, and Fazel, Friday imams of Tonkabon, Ramsar, 'Abbas Abad, Nowshahr, Mina'i, and Garji, the governors general of Nowshahr and Tonkabon, prosecutors, the religious magistrates of Tonkabon and Nowshahr, and Hojjat ol-Eslam Mehdevi, religious magistrate of the Second Criminal Court of Tonkabon.

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CSO: 4640/143

PAPER CRITICIZES REMARKS BY TURKEY'S OZAL

GF141542 Tehran KEYHAN in Persian 7 Jan 86 p 20

[Commentary: "Correct Mooting of a Problem Is Half of Its Solution"]

[Text] A high-ranking Turkish delegation completed its 3-day visit yesterday and departed Tehran. Turkish Prime Minister Turgut Ozal, who led the delegation, held a press conference at the conclusion of his visit before leaving Tehran. He related the results of his visit. He answered correspondents' questions and explained the present ambiguities in Turkish foreign policy, especially Ankara's perception and stance concerning Iranian problems.

Soon after the arrival in Tehran of Mr Ozal and the Turkish delegation, we outlined some of these ambiguities and the need for a review of the Turkish viewpoints concerning related events. Publication of the Turkish prime minister's press conference and his explanation--not to mention his insistence vis-a-vis our current situation--has forced us to lay out our problems once again and to lay stress on the need for a reevaluation of the situation by Ankara. In laying out these problems we have tried to remain within the framework of the prime minister's questions and answers during yesterday's press conference. We leave the other questions for a more suitable opportunity.

Mr Ozal, who during his stay in Tehran, spoke mostly on bilateral trade relations, yesterday in his press conference, also laid stress on the same subject and abstained from answering basic questions on the imposed war and on the open threats of Iraq on the regional countries, including Turkey and... [elipses as published]

The Turkish prime minister states that he does not want to answer questions on who started the war and how it should end. It does not matter because the war, in fact, is a basic and fateful matter for Iran. All other matters should be seen in light of this and should be judged accordingly. Thus, it is as if in the midst of the Vietnam war, a person of authority--moreover, from a neighboring country--was to go to this country and in his press conference in Hanoi say: "Please let me talk nothing about the war."

The asked Mr Ozal who in his view started the war. He answered: "The answer to this question does not help solving the matter." It is a very vague answer. When you are in Iran how can you avoid talking about the war.

Mr Ozal is not devoid of clarity, because when asked about establishing new American bases along the common Iran-Turkey border, he clearly answered: "We are a member of NATO and we move within this framework."

To keep silent on this war, in the neighborhood of Turkey, would seem very meaningful. The war's dimensions extend over the entire region, and many, including Turkish President Everen, believe that "world peace has been endangered." Why then when one is in Tehran is he unable to express his view? It is the same war which the Turkish president has said has endangered world peace.

There are only two ways in which one could abstain from expressing his views: We could say that Turkey has no view on the war and has not reached any definite viewpoint on it. Who would believe such a statement?

Or we could say that Mr Ozal, despite his expression of friendship and comradeship and despite his stressing that he was telling the truth, has deliberately abstained from telling anything which could be harmful to Baghdad. Perhaps Mr Ozal believes that Iran started the war and has invaded Iraq, but in view of his friendship with Iran he abstains from telling this "truth."

After all this, Mr Ozal wishes that the war may end in an "honorable" way, but he does not say what he means by "honorable." God grant that he does not mean the same "honorable" meant by Baghdad, Cairo and Amman--the oppressor and the oppressed--who kiss each other and become friends as if there has been no bloodshed, no country has been destroyed, and no aggression has been made. How can the war end without making it clear how it started and what it has entailed?

Mr Ozal is afraid to talk about the problem but wants its solution. It is taught in the primary classes in schools that the mooting of a problem in a correct way amounts to part of its solution.

Mr Ozal believes that it is sufficient to say: "I pray for the war to end." He may go on praying, but he should be fair and then pray. One cannot go anywhere with closed eyes. Again, consider the saying that "to identify the aggressor does not solve the problem." Why does it not? In our view and in the view of logic, pointing out the aggressor is the first step toward solving the problem.

When asked about the Iraqi fighters persuing the Turkish Boeing which carried the Turkish delegation to Tehran, Mr Ozal said: "The matter is under consideration. As soon as I return to Ankara I will follow it up." He also spoke of the information carried in the black box of the aircraft. A spokesman of the Turkish Ministry of Foreign Affairs said last week that this matter was also under consideration.

Do you know what Baghdad says? In reply to the application of the Turkish Foreign Ministry for safe passage, Baghdad clearly stated that it would not guarantee safe passage. In other words, they would attack the aircraft carrying the Turkish delegation. This was formally stated by the Iraqis and the news was relayed throughout the world.

What did Mr Ozal do in Ankara? What is a black box and what does he mean by following up the matter? The Iraqis have given a clear reply to the request and the black box will say the same thing. Why doesn't Mr Ozal do something? It is now one week since the incident. How long it will take for the inquiries to be completed?

If Turkey's economic or strategic interests require him to keep silent about theimposed war, would not his national interests force him to take action against such open blackmail? Where is the limit to one country's interests? He says that he would like to be a bridge between the West and the world of Islam. If he means Iran, then he has no interest in building a bridge that ends to the West, but if he means Kuwait and Egypt, they have bridges of their own. In other words, there is no distance between Cairo and Washington. He says that he would like to bring unity among the Islamic countries. Unity among whom and for what? Unity for the sake of unity or unity in face of an event, phenomenan, or a hostility?

Come and join in the union of Iran, Libya, and Syria. For years it has been theobject of all unions in the Middle East and in the Arab territories to confront imperialism and Zionism. Mr Ozal says that Turkey is a member of NATO and that its relations with Israel are out of necessity. How can he bring unity and with whom? God grant that such unity would not be like the unity between Egypt and Jordan, so that he could in a group and along with others proceed to Tel Aviv.

Concerning the hostile and insulting attacks of the Turkish press in the face of the honorable values in the Islamic Republic, Mr Ozal says: "Press in Turkey is free. The way to stop these insults is for the Iranian authorities to invite them to visit Iran so that they could see for themselves, know things, and say nothing." If the Turkish press is free, then why do the head of the Turkish correspondents and the members of the Turkish delegation say: "While contracting Turkish correspondents do not talk about war end....[elipses as published] and only talk of detent between the correspondents of the two countries." If he decides that the Turkish correspondents should see and hear, how can he say they are free?

Besides, have we stopped them from visiting Iran? Have we invited the correspondents from other friendly countries and have we bribed them because they write the truth? Moreover, what is the press mission of our Turkish colleagues? do they write similar "facts" on other matters also? Do they write truth only when they are invited? If not, from where do they bring the facts that they write about? Do others invite them so that they should write to their benefit? If so, woe be to us and to the Turkish nation that their correspondents are only "invitees." Should we also write and say whatever we want to, lies and untruths. insults and accusations, and then say that it is because they have not invited us? Let them invite us so that we may write about facts? We know that the answer is very simple: If you do not know, give up your pens and do not write. If you want to write, then go and see, then write. In conclusion, we would say that we hope that last night's V.P. report about the "visit of Ozal to Iraq date of which has not yet been fixed" is not true, but if it is true, we hope that Mr Ozal will tell the truth at least in Iraq.

/9274
CSO: 4640/145

PETROLEUM MINISTER COMMENTS ON GAS INJECTION INTO OIL WELLS

LD101919 Tehran Domestic Service in Persian 1030 GMT 10 Jan 86

[Text] The Islamic Republic of Iran is beginning fresh attempts to utilize the immense project of gas injection into oil wells. Mr Aqazadeh, the petroleum minister, and members of the board of directors of the NIOC inspected the immense project for the retrieval of gas from oil wells and its reinjection to the oil wells thereby increasing the output of the same. The petroleum minister expressed the hope that the project and work involved will be commissioned within the next four months. According to a Central News Unit correspondent's report, the aim behind implementing that project is to prevent the wasteful burning up of 340 million cubic feet of gas resulting from the extraction of 750,000 pounds of oil in the Gachsaran region and the utilization of the same in order to increase the output of the country's oil wells.

Our correspondent interviewed the oil minister, to which we draw your attention:

[Begin recording] [Correspondent] We are in one of the oil rich regions of the south, in one of the units for injecting gas to oil wells. This unit was designed in previous years and has reached a particular stage. I would like to ask Mr Aqazadeh to explain the importance of this project.

[Aqazadeh] In the name of God, the Compassionate, the Merciful. I will briefly explain that one of the largest fields in our country is in the Gachsaran region and before the revolution 1.2 million barrels were being extracted from these fields. But now these wells are exploited much less in order to preserve them. By implementing this project, which includes three low-pressure units and one high-pressure unit in this place where we are standing now 500 million cubic feet of gas will be utilized according to our programs. The gas is from the same wells in Gachsaran and is currently being burned. These units will increase the gas pressure and inject it to the same well in Gachsaran. This is one of the best and the most important projects which should be implemented because by doing so we can preserve the well and increase its productivity.

We hope that with the efforts of our brothers working here this project will be implemented within a few months. The job is nearly finished and ready for operation now. Today we came here in order to talk to our brothers and boost

their morale. They started this work on a contract basis after the revolution and it is part of the necessary [word indistinct] projects. (?It was part of foreign contracts), but we ousted them and took over and operated it; and today it is classed as one of the major projects in the country, which has been operated by our own expert manpower. By operating this it will be proved that our technician brothers are capable of erecting and operating immense projects which seem incredible to foreigners.

[Correspondent] Would you please explain the reasons behind the delay in operating this and what can be done in order to [words indistinct]?

[Aqazadeh] In the beginning there were some delays because of the difficulties with the related contractors and their various organizations. After solving those problems and gaining confidence that we are capable of starting the works ourselves the job started two or three years ago. Our difficulties today arise from the manufacturers of these systems, because the manufacturers are not here when we start the systems. Each system is guaranteed by the manufacturers, but they are not here at the time of operation in order to solve the operating problems. Of course, today our experts here promised that they can rely on themselves and can start the operation without the presence of the manufacturers; and they are going to do this and we hope that during our talks we will persuade the related manufacturers to come to Iran to observe the operation. This observation does not mean that we need them; rather we are saying that they have manufactured these systems and installations for us and have guaranteed that there will be no problems and that they will change the faulty parts. We need their presence for this purpose only. However, when the systems are left idle and are not working the losses are very heavy. Therefore, we have to start the operation ourselves, albeit without some of the parts that we may have not received. And we are determined to start the operation and that is why I have come here in order to talk to the experts here and take the necessary steps.

[Correspondent] When do you think it will start work?

[Aqazadeh] Our expert brothers have promised me that they will operate this within the next four months, at the latest.

/12913
CSO: 4640/149

BRIEFS

BAHA'I LEADER REPORTS PERSECUTIONS--Bonn, West Germany, 14 January (AFP)--Iran's 300,000 members of the Baha'i religion are increasingly persecuted in the Islamic state, where they are seen as heretics, a Baha'i community leader here said. Christopher Sprung told a press conference that members of the community, Lhose religion began in Iran in the 10th century and stresses the spiritual unity of mankind, were increasingly denied their rights and treated as "non-persons". He said 176 Baha'is had been executed and 767 were in jail, on charges including "espionage, zionism, drug-dealing and prostitution." A former prisoner who asked not to be named said Baha'is were systematically tortured in prison to make them renounce their faith. He was among a group of 94 people held in a jail in Shiraz in southern Iran, 22 of whom were executed. Mr Sprung, who said Iran used the community as a "scapegoat" for its problems, said the Islamic constitution recognised the Jewish, Christian and Zoroastrian faiths but excluded "Baha'ism." He produced an official document recording the sacking of 472 oil ministry employees "members of a strayed group of Baha'is, pronounced heretics to Islam by a unanimous verdict of Moslems." Baha'ism, which originated among Shia Moslems in Iran, has 4.5 million faithful in 140 countries, and is based in Haifa, Israel. [Text] [Paris AFP in English 1633 GMT 14 Jan 86 AU] /12913

HOUSING UNITS RENOVATED--Bushehr, Bushehr Province 14 January IRNA--The housing foundation of the Islamic Revolution has so far renovated over 6,000 residential units devastated by Iraqi aggressors in southern and western Iran. Head of the foundation Morovvat said that about 70 percent of construction work of another 3,615 units has been completed and the remaining 30 percent will be finished by 20 March. Morovvat said that the foundation has spent 1220 million rials (about 14 million dollars) out of its total 2070 million-rial (about 24 million dollars) credit for the current Iranian year ending 20 March. A total of 10 billion rials (about 117 million dollars) has been allocated for establishing construction material manufacturing units, the official concluded. [Text] [Tehran IRNA in English 1600 GMT 14 Jan 86 LD] /12913

INDUSTRIAL PROJECTS IMPLEMENTED SINCE '79--Tehran, 7 January IRNA--Iran's national industries organization has implemented 36 large industrial projects in the fields of textiles, food cellulose, chemicals, medicine and cements factory [words indistinct] Minister of Industries Gholam Reza Shafei here Tuesday. The minister said that the organization is investing and expanding 23 projects (?valued at 300) million. Work on another 25 projects with a

total capital expenditure of 760 million dollars is to begin shortly. The bank of industries and mines has 35 projects totaling two billion dollars under study for which he said over 12,000 workers would be employed once the projects are completed. Shafe'i said the cabinet has allocated the equivalent in rials of 2.56 bilion dollars to the ministry of industries to be extended to production industries according to the urgency of their financial need for the current Iranian year (began 21 March). [Text] [Tehran IRNA in English 1735 GMT 7 Jan 86 LD] /12913

CORRUPTION IN CABINET--After some Majlis deputies referred to unlawful goings on in the Ministry of Heavy Industries and the Commerce Ministry, Hashemi-Rafsanjani, the speaker of the Islamic Majlis, said: Of course, there are such things in the government, but if we are realists we recognize that these things cannot be debated in the Majlis. If we do not control our speeches, tomorrow our leader and others may tell us: "Mind your own business." The Majlis deputies should keep in mind that the leader is also unhappy about this. Moreover, these matters could be taken advantage of by opponents, anti-revolution elements, and foreigners. Eventually it would go against the revolution. The words exchanged between Rafsanjani and the Majlis dputies were not correctly covered by the press, but were broadcast directly through the 'FM' transmitter. [Excerpt] [London KEYHAN in Persian 2 Jan 86 p 15] /9274

PAPER ON TRAINING, SECURITY--KEYHAN Political Service--The Information and Security Academy meant for training information officials, interrogators, and heads and officials of the Islamic Republic prisons in which political prisoners are kept, will open next Farvardin [21 March-20 April] and will impart training, in addition to the Iranian trainees, to train from Islamic and the Arab countries. According to reports received from the Arab sources in the Persian Gulf, a large number of young men from Persian Gulf Arab countries and Africa are being sent for training to Iran via Europe by the Islamic Republic embassies in those countries. They will receive training in the classes held in the security academy of the Islamic regime. A team of Korean and Syrian security specialists, who are even now cooperating with the information organization of the regime along with groups of penitent mujahedin known by the name of "Tawabin" [those who have expressed their penitence], will impart necessary training to the trainees in the Information and Security Academy. [Text] [London KEYHAN in Persian 2 Jan 86 p 15 GF] /9274

TRANSMITTER REPORTEDLY BLOWN UP--One of the regime's radio transmitters which beams signals outside the country has stopped functioning. The correspondent for the Voice of the Liberation of Iran says in this regard: At midnight on 1 January, the antenna of the powerful radio transmitter at Tayyebat on the Afghan border broadcasting on 7230 KHZ to export Khomeyni's revolution propaganda to Afghanistan, Pakistan, and India, was destroyed. The antenna was blown up by an unknown group which planted explosives at its base. The report goes on to say that one helicopter, which had gone to the area to help to send some technicians on Monday, was forced to flee due to heavy antiaircraft fire by the Afghan Mujahidin. [Text] [(Clandestine) Voice of the Liberation of Iran in Persian 1630 GMT 9 Jan 86 GF] /12913

MILITARY SHIPMENT ARRIVAL REPORTED--Two ships containing air defense systems have arrived at Iranian ports from the DPRK. According to a report by a correspondent of the Voice of the Liberation of Iran, this military shipment arrived at our country's southern ports under the pretext of being "foodstuffs." Before arriving at these ports this shipment had been transferred from ship to ship several times in various Far Eastern ports. Several members of the Islamic Revolution Guards Corps [IRGC] as well as some personnel from the ground forces went to the DPRK to learn how to use the purchased air defense systems and returned to Tehran 2 1/2 months ago. North Korean military advisers are at present training members of the IRGC and the ground forces at two bases in Fars and Khorasan Provinces to use the equipment which is gradually arriving from the DPRK for the Mullah's regime. [Text] [(Clandestine) Voice of the Liberation of Iran in Persian 1630 GMT 9 Jan 86 GF] /12913

BANDAR-ABBAS-BAFQ RAILWAY--According to the report of the Central News Unit, the progress of work being carried out on the Bandar-abbas-bafq railway's sections No(?3) and No6 yesterday was inspected by the minister of roads and transport. These sections of the Bandar-abbas-bafq track which, are being constructed with a credit amounting to 15.660 billion rials, are altogether 64 km long; have 185 small and large bridges of up to 13,185 meters in length; and 5 tunnels, totalling 1,000 meters. So far more than a quarter of the construction work on each of them has been completed. According to this same report, the minister of roads and transport, in the course of this inspection, while reviewing the works which have already been carried out issued necessary instructions with respect to speeding up the completion of this project. [Text] [Tehran Domestic Service in Persian 0430 GMT 11 Jan 86 LD] /12913

IRANSHAHR LIME KILN--Through the efforts of Iranian experts and engineers, the setting up and commissioning of the Daman lime kiln of Iranshahr which is the first kiln of its kind in Iran, began its work with the first experimental production of 200 tons of industrial lime per day. This kiln which has been built with a credit amounting to 805,230,000 rials on a sight which stretches 75,000 square meters in size, has 100 ton crushers; conveyor belts; separating screens; and 1400 cubic meter depot; 100 ton double lime-furnace with a fully automatic system; three spherical hammer mills, and a 500 kw generator and 500 ton silo. It will be able to meet some of the demands of the steel industry, refineries, and the country's power stations in addition to providing for local consumption in the provinces of Sistan and Baluchestan. [Text] [Tehran Domestic Service in Persian 0430 GMT 11 Jan 86 LD] /12913

CSO: 4640/151

REPATRIATION FUND TO HONOR ZIA-UL-HAQ COMMITMENT

Karachi DAWN in English 12 Jan 86 p 10

[Text]

KARACHI, Jan 11: Lord Ennals said on Saturday that the international Trust created for the repatriation and settlement of stranded Pakistanis in Daka will honour the solemn commitment made by President Gen Mohammad Zia-ul-Haq.

Addressing a reception given in his honour by the National Repatriation Council at Hotel Jabees, he said the President's statements have been warmly welcomed in Pakistan as has been evidenced by the unanimous vote by the Senate.

Replying to the welcome address presented by Mr M. Raziq Khan, president of the committee, Lord Ennals said that the Trust created with people from five nations can give international bank guarantees that the money is available to cover transportation, construction of houses, etc.

"It is the hope of the Trust, which has as its vice-chairman Admiral (retd) Mohammad Sharif, that the Government of Pakistan will accept this generous international gesture and the guarantees that the whole programme will be implemented as planned and the 14-year-old issue of bringing the people from Dhaka will be resolved," he said.

Lord Ennals said he will be leaving on Sunday for Dhaka to talk to the leaders of the stranded Pakistanis and the government officials.

He will return to Karachi on Tuesday and attend the meeting of the trustees and leave the next day for London.

Mr Afaq Shahid, MNA from Orangi and leader of the Bihari community, has urged the Government to accord recognition to the Trust.

Speaking at a reception in Orangi on Friday given in his honour by the National Repatriation Council, the MNA said that the Government should include representatives from provinces in the Trust and give a go-ahead signal to start work in connection with resettlement.

He saw no reason for the delay when the Senate has adopted a unanimous resolution for the repatriation.

The meeting was also addressed by Mrs Qamarunnisa Qamar, MNA, who suggested the creation of Prime Minister's Fund for the repatriation.

Others who addressed the meeting were Mr Ahmed E.H. Jaffer, Mr Zafar Imam, Mr Jamal-ul-Haq Siddiqui and Mr Wajid Hussain.

The Lord and the Lady were presented gifts on behalf of the Council.

PPI adds:

Lord Ennals on Saturday also presented a goblet with insignia of the British House of Commons to Mr Ahmed E.H. Jaffer, Chairman, English Speaking Union of Pakistan, in recognition of his services towards promoting UK-Pakistan relations.

He presented the goblet at a lunch hosted by Mr Jaffer, in his honour.

He spoke of the efforts made by Mr Jaffer in strengthening the relations between Pakistan and Great Britain.

/12828
CSO: 4600/182

COMMENTARY URGES DIRECT TALKS ON AFGHANISTAN

Karachi DAWN in English 13 Jan 86 p 5

[Text]

FOR all the tight-rope walking on the part of the present Government, the Afghan problem has finally begun to move closer to our borders.

From the number of bomb and mine explosions that have taken place recently in and around Peshawar, one would think they are a regular feature of life in the frontier. The unrest in the Khyber Agency has provided grist to Kabul's propaganda mills with Radio Kabul treating the recent (and rather ominous) clashes between Afridi tribesmen and the Mujahideen as shades and snatches of the Battle of Stalingrad. Radio Kabul may not be everyone's idea of the truth but it is unnatural to expect that the exploding tensions between Gulbadin Hikmetyar's holy warriors and Pakistani tribesmen would not be sweet music to Kabul's ears.

The troubles in the Khyber Agency are but a small offshoot of the larger Afghan problem. Despite the resumption of a dilogue between the two superpowers, the flames of war in that embattled country are not going to be doused in a hurry. As evidenced by reports in the Western Press, the Americans have significantly raised the level of their covert assistance to the Mujahideen. But six years of conflict have proved the truth behind the dictum that there is no military solution to this problem.

Politically Afghanistan may be an embarrassment to the Kremlin, but in military terms it is a conflict the Soviet Army seems quite content to live with. Articles in Soviet military journals suggest that the army is testing its weapons and its tactical doctrines there. Moreover, it remains the only war for young ambitious officers to win their combat medals in.

The Soviets have been content to hold the cities and the major roads. That they have not significantly increased the number of their troops in Afghanistan (static at around 100,000) indicates that they are not in a hurry and that they think time is on their side.

True, the military stalemate on the ground persists. But it is gradually shifting in favour of the other side. Politically, too, the grip of the Karmal regime is getting firmer as evidenced by its success in convening the Loi Jirga and in wooing the tribes.

With events in Afghanistan developing in the manner that they are, the time may come (sooner than some think) when there may be nothing left for us to retrieve from the confusion. A beleaguered Afghanistan can be expected to make concessions in order to win Pakistan's goodwill. But if the security situation there keeps improving (and no one except the Jamaat-i-Islami is willing to bet that it will not) what incentive will Babrak Karmal have to come to terms with — Pakistan?

Meanwhile, there are certain problems that can only get worse. What, for example, will happen to the refugees and the Mujahideen? If there is no political solution, they will continue to stay, becoming in the process a growing strain on the

purse and the patience of their hosts. Can we afford the presence in our midst of such a large host, armed and welded together by tribal loyalties?

Kashmir was more sacred to us than Afghanistan. Indeed, the latter used to be one of our principal enemies. But the harsh realities of war and peace led to a severe downgrading of our enthusiasm for that question. Should not a similar sense of reality shape our response to the problem of Afghanistan.

The time may have come when Pakistan should look at the problem with a fresh mind. The signals being sent by the Russians should be examined carefully. They are letting no opportunity go by without proclaiming their desire to pull out of Afghanistan. This was the message discreetly conveyed by Soviet spokesmen at the time of the Geneva summit. Significantly, the report in the *New York Times* that the Afghan Foreign Minister had informally conveyed a timetable for the withdrawal of Soviet troops to Mr Diego Cordovez has yet to be denied. The recent *Pravda* editorial on Afghanistan also took a moderate line, supporting the efforts of the Kabul regime to broaden its social and political base.

In return Kabul and Moscow are insisting on direct negotiations between Pakistan and Afghanistan when the recessed sixth round of the Geneva talks reopens. Suppose the Soviets are bluffing and have no intention of withdrawal. In that case, why not call their bluff? The Americans talked directly to the Chinese years before formal recognition. Mr Kissinger conducted regular negotiations with Le Duc Tho of North Vietnam when the war in the south was at its height. What then is the wisdom in standing on a quibble when so much of substance is at stake? Refusing direct talks at this stage means taking the onus for a breakdown of peace efforts on ourselves. Agreeing to them, on the other hand, puts Moscow under pressure to produce a peace formula. If it does not, its fraud is emposed before the whole world.

Our enemies say that our Afghan policy is tailored to suit American interests. They also say that unless Washington gives the go-ahead signal, Pakistan is in no position to take an independent initiative on this question. Unless we are to prove that this is true, it is time a lie was given to this sedulous propaganda.

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CSO: 4600/182

PUNJAB TO ABOLISH LAHORE FORT SUBJAIL

Karachi DAWN in English 12 Jan 86 p 1

[Art' le by Mahmood Zaman]

[Text] LAHORE, Jan. 11: With the lifting of Martial Law in the country, the Punjab Government is believed to have decided to abolish the subjail at the Lahore Fort.

A notification in this regard is expected shortly. Nevertheless, the place will remain under the Police Department and be used as an interrogation centre for the special branch.

The Government has also decided not to send political workers and leaders to the Lahore Fort. In future, only suspect agents and spies, as well as smugglers and the reasons charged with heinous crimes, will be kept at the Fort for interrogation only.

The purpose of the step is stated to be creating better political atmosphere. However, the portion of the sub-jail in the Lahore Fort is not being handed over to the Archaeology Department which demanded it back about 14 years ago considering it necessary from tourists point of view.

A similar plea was made by a tourism convention about four years ago.

The Federal Government considered the proposal of the Archaeology Department and asked the Punjab Government to take an appropriate step. After detailed deliberations the Provincial Government decided to abolish the sub-jail their but retain it as an interrogation centre for the Special Branch.

The sub-jail position of the Lahore Fort was first used by the British rulers as a garrison headquarters and it was converted into a torture cell in 1924. The Moghul and Sikh rulers used it as a residential block. From 1924 onward the place had been used to extract information from political leaders and workers through torture. The British rules charged political leaders with conspiracy and tortured them in a number of narrow and dark cells in the premises.

A noted leader of the Indian Congress, Mr. Jayaprakash Narayan was among the earlier political leaders who were tortured in these cells. After Independence the political leaders kept here included Dada Amir Haider and Agha Shorish Kashmir and Mr. Hasan Nasir who was tortured to death during the Ayub regime.

In the Yahya regime the hijackers of the Indian plane "Ganga", Ashraf and Hashim, were also kept here.

During eight-and-a-half years of Martial Law a number of political leaders and workers were kept in the Lahore Fort. Journalists and women were also interrogated in the cells. Prominent among those were Dr. Mubashir Hasan, Mr. Afzal Sindhu, Malik Mukhtar Ahmad Awan, Rana Shaukat Mahmood and his wife, Jam Saqi, and Rasool Bakhsh Paleejo.

It may be recalled that the Lahore Fort as a torture and interrogation cell became notorious internationally after the publication of certain reports by the Amnesty International.

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CSO: 4600/182

COMMENTARY VIEWS CLOSING OF LAHORE FORT SUBJAIL

Karachi DAWN in English 13 Jan 86 p 5

[Text]

THE decision by the Punjab Government to abolish the subjail at Lahore Fort will be widely welcomed. One of the foremost archaeological sites of the subcontinent, the Lahore Fort has earned wide notoriety for its association with a torture and interrogation cell located there, which is used to extract information from political leaders and workers under duress. Used as residential quarters by the Mughal rulers of the subcontinent, the Fort was converted to serve as garrison headquarters under the British. But once the independence movement gained momentum the British turned the Fort into a torture cell to hold and 'soften up' political prisoners. Unfortunately, this practice continued even after independence. Among the many, famous and otherwise, who passed through these precincts perhaps the most well-known in the post-independence period was Hasan Nasir, who is regarded by many as our first martyr to the cause of populism. In recent years the Fort has figured prominently in Amnesty International reports, much to the discredit of the country's political system.

However, while welcoming the decision of the Provincial Government not to detain political prisoners in the Lahore Fort any longer, it is regrettable that the premises will continue to be used as an interrogation centre for the Special Branch to question suspects, agents, spies, smugglers and other criminals. The Lahore Fort forms an invaluable part of our cultural heritage. For the authorities to use its premises for carrying out deads which give a sinister reputation to the Fort shows a total, almost callous, disregard of the spirit and tradition of this great monument and of our cultural heritage in general. The Archaeology Department has for the last fourteen years been asking the Government to turn the entire area over to its jurisdiction for preservation and tourism purposes. This should be done without delay. The Special Branch can always find another place to house its interrogation cell. In any case, the cell at the Lahore Fort has over the years acquired such a foul reputation that any interrogation carried out there, for whatever purpose, will cause suspicious eyebrows to be raised and the odium will continue to reflect on the reputation of the Fort.

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CSO: 4600/182

TI REOPENS KARACHI OFFICE, MEMBERSHIP DRIVE

Karachi DAWN in English 13 Jan 86 p 8

[Text]

KARACHI, Jan 12: The Karachi office of defunct Tehrik-i-Istiqlal, which was sealed five years back was re-opened today by Tehrik workers in the presence of Mr Khalil Ahmed Nanitalwala Chairman, Karachi Tehrik.

Speaking on the occasion, Mr. Khalil Nanitalwala demanded that the frozen funds of the party be revived and records and belongings of the party seized by the Government should also be returned.

Mr Nanitalwala asked Tehrik workers to start membership drive. He announced that during the visit to Karachi later this month of the party chief Air Marshal (Retd) Asghar Khan flag hositing ceremony will be held at the Tehrik office here. He expressed full confidence in the leadership of the Air Marshal (Rtd) Asghar Khan.

PPP POLLS: Syed Imdad Hussain Shah, General Secretary of the banned Karachi People's Party, has urged the central party leadership to accept the results of party elections in Karachi South.

Addressing party workers he said when the results of elections in Larkana and Karachi West and East were accepted, there was no justification in refusing to accept the results of polls in which he himself was present.

He announced that he had recognised the results of elections in Karachi South, says a Press release.

QUESTIONNAIRE: Three leaders of the banned Sind NDP (Dissident Group) have circulated a questionnaire to ascertain views of their supporters whether to continue the struggle without quitting the party, form an alliance with like-minded political parties, or form a new political party.

The questionnaire was circulated by Mr Yusuf Jakarani, President; Agha Saifuddin Pathan, General Secretary of the Sind NDP; and Mr Hassan Feroz, Secretary, National Co-ordination Committee.

They recalled the services of the founder President of the banned NDP, Sardar Sherbaz Khan Mazari

PARTY REGISTRATION: Chairman of the banned Ghareeb Awam Party, Mr Tanveer Hussaini, has sent an application to the Chief Election Commissioner to renew the registration of his party.

In the application he said that all the registered political parties stand automatically revived following the lifting of the Martial Law and there was no need to seek fresh registration, says a Press release.

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CSO: 4600/183

TALKS FOR WORLD BANK LOAN UNDER WAY

Karachi DAWN in English (BUSINESS supplement) 13 Jan 86 p I

[Text]

ISLAMABAD, Jan 12: Negotiations are in progress between World Bank and Pakistan for 23 loans totalling 1.5 billion dollars for various sectors of economy and projects, official sources here said.

Two important loans are meant for agricultural sector, being negotiated by the Ministry of Food, Agriculture and Cooperative and Agricultural Development Bank of Pakistan (ADBP), .150 million dollars loan being sought by the Ministry of Food and Agriculture is meant to support a programme of structural reforms to include setting of investment priorities, rationalisation of incentives and strengthening of institutions.

LOAN FOR ADBP: A loan of 45 million dollars is being negotiated by the Agricultural Development Bank of Pakistan meant for the lending operations of the Bank to farmers.

It may be pointed out that the Bank has already announced a 148 million dollars loan for disbursement of credit through the commercial banks to industrial enterprises. An export development loan of 70 million dollars is being sought by the Finance Ministry for supporting the industrial policy changes, particularly in export development and deregulation.

Officials believe that the number of World Bank aided projects is in fact an appreciation by the world lending organisation of various measures undertaken or proposed to be undertaken by the Government for liberalising the economy and allocating a bigger share to the private sector in the process of national development.

PRIVATISATION: As for example, a 30 million dollars loan has been sought for Privatisation of the Tubewells in the SCARP (Soil Claim and Reclamation Projects) areas since a UNDP funded SCARP transition study has established that tubewells in the private sector are more efficient and economical than in the private sector. The study proposed that since scarcity of resources were hampering efficient working of the SCARP, tubewells in the fresh ground water areas should be transferred to the local farmers.

A loan of 100 million dollars is being negotiated for telecommunication project and 70 million dollar for undertaking work on 740 kilometer long sections of the Karachi-Peshawar highway by the National Highway Board.

Three loans valuing 180 million dollars are being negotiated by Water and Power Development Authority (WAPDA) for the thermal rehabilitation programme and setting up of a combined cycle power plant at Kot Adu near Multan, where work on four turbines of 100 megawatt each was already in progress.

Other loans envisage energy conservation programme at National Refinery Limited (21 million dollars), an energy conservation programme for various public and private sector enterprises (50 million dollars), modernisation of the cement industry (100 million dollars), primary education improvement and second vocational training programme costing 70 and 50 million dollars respectively. —PPI

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CSO: 4600/183

GWADAR EXPORT PROCESSING ZONE PLANNED

Karachi DAWN in English (BUSINESS supplement) 13 Jan 86 p I

[Text]

QUETTA, Jan 12: The Federal Government proposes to set up an Export Processing Zone at Gwadur along Baluchistan Coast on the pattern of Karachi Export Processing Zone.

Gulf investors are keen to Collaborate with Pakistanis for the setting up of several projects of commercial and industrial importance, Provincial Minister for Planning and Development, Mian Saifullah Paracha said.

Mr Paracha said Gulf is the potential export region for Baluchistan products. He said a look at the export import with Gulf States from 1971 to 1982, showed that during the year 1971-72 Pakistan exports were Rs 335 million, while imports were only Rs 196 million. In the year 1977-78 exports rose to Rs 1425 m. against Rs 5090 million imports, while in 1981-82 exports jumped to Rs 4716 million and imports to Rs 17,857 million.

He said this shows that there is urgent need to increase exports to Gulf countries by about four times.

Mian Saifullah said Baluchistan coast where Export Processing Zone is proposed to be set up at Gwadur offers potential for small and medium scale industrial products.

Pakistan Investment Advisory Centre has already carried out studies and pinpointed projects where foreign and Pakistani entrepreneurs could profitably invest.

Initially there are nine projects for investment in the coastal areas while eight for investment in the inland of Mekran division, the backyard of the Gulf.

COASTAL AREA PROJECTS: Fish processing and packing, deep sea fishing and fish processing utilising the facilities of factory-ship, manufacture of fish oil, manufacture of fishing craft and tail boats, establishment of cold storages and ice crushing plants, establishment of fuel storage facilities, service and repair workship for marine and automobile engines, manufacture of building materials, coastal cargo and passenger service.

INLAND PROJECTS: Establishment of a building material complex, Establishment of a date processing complex, manufacture of chip board from date plant leaves and poultry, establishment of cattle and poultry feed mills, development of livestock and production of dairy products, poultry development, ground water development and development of agro industrial complex and vegetable dehydration facilities, establishment of cold storage and ice plants.—PPI.

/12828
CSO: 4600/183

PAPER EXPLAINS CAUSES OF INCREASED ELECTRICITY DEMAND

Karachi DAWN in English (BUSINESS Supplement) 13 Jan 86 p IV

[Text]

KARACHI, Jan 12: The load-shedding in the country was the resultant factor of unprecedented increase in demand for electrical power. The experts had estimated increase in the demand as 7 to 8 per cent, whereas, graph of the increase in domestic sector only traversed 30 per cent.

The major cause of the increase in the use of electricity in the domestic sector was the excess of money. At present there were about 125,000 tubewells in the villages running on the WAPDA system and it was essential to run the tubewells to achieve the target of beeter crop yield.

The industrial units in the country and the use of present day electrical gadgets such as television and radio sets, VCR's electric irons, airconditioners, heaters, sewing machines, washing machines, etc., in the households have also increased abundantly.

The hydro-electric oriented power system of WAPDA comprised 65 per cent of hydel generation. The basis of producing more hydel power compared to thermal was that import of oil was not required for generating electricity utilising the country's river water potential. When the lakes were full, maximum of electrical power could be generated and the problem of shortage of electricity arose when water in the rivers was scarce.

Normally Tarbela hydel power station produced 1750 mw of electricity and when the lake was full to brim, it generated upto 2000 mws, however, in the months of May and June with the depletion of Tarbela reservoir and in the absence of flow into the lake, the Tarbela power house gave only 350 mws of electrical energy.

Similarly, Mangla hydel power house in these months could be run to generate more 60 mws instead of 1000 mws in the favourable conditions. This shortage of power generation from Tarbela and Mangla spreads from December to June and the situation was eased with the rains in July when the lakes were full of water.—PPI

/12828
CSO: 4600/183

BRIEFS

CALL FOR INDEPENDENT SIND--KARACHI, Jan 11: Mr G.M. Syed, Chairman of Jiye Sind Tehrik, has said that "protection of the rights of the people of Sind was impossible in the existing administrative structure, no matter whether the power was in the hands of civilians or the military. Talking to the workers of the Tehrik here, he said during the past 38 years, various military, civil, individual and elected governments came into power, but "the injustices with Sind have always been on the rise." Referring to the lifting of Martial Law and restoration of democracy, Mr Syed said: "We don't believe in the basis, constitution and politics of Pakistan. Presence of Martial Law or the so-called democracy in Pakistan is not a solution to our problems. Our struggle will continue for political, economic and cultural independence of Sind." [Text] [Karachi DAWN in English 12 Jan 86 p 4] /12828

THREAT TO EXILES REGRETTED--RAWALPINDI, Jan 12: Gen (retd) Tikka Khan, leader of the outlawed PPP, said today the Government's recent threat to political leaders and workers that they would be tried under Martial Law regulations on their return to Pakistan had no moral or legal justification. Mr Tikka Khan told Dawn the truth was that political leaders and workers had been awarded sentences by Martial Law Courts, in absentia, which could not be challenged in any civil court even after the Martial Law. These political elements, he said, were granted political asylum by friendly nations simply because they were not criminals. He regretted Prime Minister Junejo's recent Press statement, in which he had said politicians against whom cases were registered would be tried on their arrival here. The Prime Minister, he added, had started speaking the same language as was spoken earlier by Martial Law rulers. Mr Tikka Khan said the Government should not take any legal action against political leaders and workers who were forced to leave their country. Any action, he feared, would create unrest and confusion among people. He also demanded the release of all those political workers. [Text] [Karachi DAWN in English 13 Jan 86 p 8] /12828

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END

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20 February 1986

Near East/South Asia Report

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20 February 1986

NEAR EAST/SOUTH ASIA REPORT

CONTENTS

INTERNATIONAL AFFAIRS

REGIONAL AFFAIRS

Tunis Conference on Arab Cultural Affairs Summarized
(Paul Shawwul; AL-MUSTAQBAL, 14 Dec 85) 1

ARAB AFRICA

ALGERIA

Briefs
Iran Supports Opposition Groups 7

EGYPT

President's Observations, Opposition Rebuttal Reviewed
(Various sources, various dates) 8

President Discusses Current Problems, Husni Mubarak Interview 8
Opposition Head Rebuts Claims, by Fathi Radwan 19

Selection of Vice-President Considered
('Abd-al-Latif al-Manawi; AL-MAJALLAH, 18-24 Dec 85) 23

Al-Baz on Mubarak Initiative
(MENA, 30 Jan 86) 28

Turkish Daily Interviews Foreign Minister on Cyprus
(Bayrak Radio, 14 Jan 86) 32

SUDAN

Trials of Numayri Era Officials Reported
(Various sources, various dates) 33

Former Vice President Testifies 33
Falasha Court Clears Defendants 33
Retired Colonel Released 34
Former Integration Chief Released 34

SUNA Reports PRC-Sudanese Joint Communique
(SUNA, 23 Jan 86) 35

Siwal-al-Dhahab Discusses Various Issues
(SUNA, 26 Jan 86) 37

SPLA Operations in South Reported
(Various sources, various dates) 39

Recent Military Successes 39
Government Troops Killed 39
Heavy Fighting Reported 40
Garang's Forces, South Reports 40
Two Southeast Towns Captured 41
SPLA Reportedly Captures Airstrip 41
Government Positions Shelled 41
Fighting Near Ethiopian Border 42
Pro-Garang Elements Arrested 42

Siwar-al-Dhahab on Elections, Rebels, Islamic Laws
(SUNA, 11 Jan 86) 43

Life Returns to Normal After Riots in Al-Ubayyid
(SUNA, 19 Jan 86) 44

Life Returns to Normal 44
Official Leaves for Kordofan 44

SUNA Reports Jimmy Carter's Khartoum News Conference
(SUNA, 23 Jan 86) 45

SUNA Reports CP's Leader's Remarks to Reporters
(SUNA, 23 Jan 86) 47

Finance Minister Views Economic Situation
(SUNA, 30 Jan 86) 48

SPLA Radio Comments on New Group's Political Views
(Radio of the Sudanese People's Liberation Army, 13 Jan 86) 49

Briefs

Libyan Food Aid 50
Strike Sabotage Denied 50
Unauthorized Plane Landing Denied 50
Airline Pilots End Strike 51
New Front Formed 51
Journalists Addressed on Refugees 51
Numayri Asylum 51
Commission on Returnees From Ethiopia 51
Reagan Cabled on 'Challenger' 52

TUNISIA

Italian-Tunisian Friendship League Activities Recounted
(AL-SABAH, 3 Dec 85) 53

Banking Laws Undergo Change
(AL-HAWADITH, 20 Dec 85) 55

ARAB EAST/ISRAEL

ISRAEL

Use of Remotely Piloted Vehicles Described
(BITA'ON HEYL HA'AVIR, Nov 85) 57

Ways To Eliminate Waste in IDF Presented
(Ze'ev Yafet; HA'ARETZ, 20 Sep 85) 60

National Defense College Reviewed
(Ze'ev Shif; HA'ARETZ, 18 Sep 85) 67

LEBANON

Fadlallah Speaks on Islamic Unity, Resistance
(AL-'AHD, various dates) 70

Hizballah Statement on Unity 70
Friday Speech on Duties 71
Warnings of Domestic Conspiracy 76

SOUTH ASIA

AFGHANISTAN

Mujahidin Call for Control of Afghan Embassies
(KAYHAN INTERNATIONAL, 23 Nov 85) 86

Heavy Fighting Reported Between Mujahidin, Government Forces
(KAYHAN INTERNATIONAL, 1 Dec 85) 88

Briefs
Power Station Construction 89
Technical Cooperation Agreement 89
Soldiers Defect 89

BANGLADESH

Papers Give Details on Cooperation Pact With ROK
(Various sources, various dates) 90

Protocol Contents Summarized 90
Joint Economic Commission 91

Paper Reports Details of Trade Pact With Thailand
(THE BANGLADESH OBSERVER, 9 Jan 86) 92

Paper Reports Troubles in Bangladesh Economy
(THE BANGLADESH OBSERVER, various dates) 94

Shortage of Funds 94
Failure To Implement Projects 95
Time, Cost Targets Exceeded 96
Industrial Output Declines 97

IRAN

Religious Leader Reports Persecution of Baha'is
(AFP, 14 Jan 86) 99

Lebanese Official Terms Lebanon's Political System 'Archaic'
(IRNA, 1 Feb 86) 100

Bill for Collection of Charges From Travelers Approved
(KEYHAN, 9 Nov 85) 102

State of Trade, Economy, Agriculture, Transport Detailed
(Vahe Petrossian; MEED/THE MIDDLE EAST'S BUSINESS WEEKLY,
14 Dec 85) 105

Eight Thousand Hectares of Land Repossessed
(KEYHAN, 9 Nov 85) 130

Prosecutor General Declares Mazandaran Landowners Deeds Void
(KEYHAN, 9 Nov 85) 131

Over 500 Thousand Tons of Goods Unloaded at Port
(BURS, 7 Nov 85) 133

Non-Oil Exports Increase 18.4 Percent
(BURS, 23 Oct 85) 135

Seventy Percent of Non-Oil Exports Said To Be Agricultural
(BURS, 7 Nov 85) 136

Import, Export Value of Goods for Last Four Months Announced
(BURS, 22 Oct 85) 138

More Companies Reportedly Managed by Public Sector
(BURS, 7 Nov 85) 139

Pipeline Construction Proposals Continue
(MEED/THE MIDDLE EAST'S BUSINESS WEEKLY, 14 Dec 85) 140

Official Details Present Industrial Situation, Future Projects
(Morteza Haji Interview; KEYHAN, 5 Nov 85) 141

NVOI Carries Joint Tudeh-Feda'iyan-e Khalq Parties Message
(Feda'iyan-e Khalq; National Voice of Iran, 14 Jan 86) .. 151

Briefs
Hydrocarbons Industry 153
Oil Field Work Training 153
Senior Diplomat Heads Dispute 153
Bank Note Printed 154
Bank Mellat Assets Announced 154

PAKISTAN

Minister Accused of Deluding Nation on Oil Production
(Yunus Khalish; CHATAN, 16 Dec 85) 155

Neglect of National Language Criticized
(Ibnul Hasan; NAWA-I-WAQT, 20 Dec 85) 159

REGIONAL AFFAIRS

TUNIS CONFERENCE ON ARAB CULTURAL AFFAIRS SUMMARIZED

Paris AL-MUSTAQBAL in Arabic 14 Dec 85 pp 60-61

/Article by Paul Shawwul: "Arab Minister of Culture Embrace Comprehensive Strategy for Arab Culture"/

/Text/ The conference of ministers and officials responsible for cultural affairs in the Arab world, which held its fifth session in the al-Mashtal Hotel in Tunis on 26-28 November 1985 at the invitation of the Arab Organization for Education, Culture and Science was, as it were, a crowning achievement of the four previous conferences, a coming to fruition of this aspirations, bringing their ideas and suggestions to the point of implementation. It was held under the broad title of "The Comprehensive Plan for Arab Culture," demonstrating the comprehensiveness of what was suggested and the renewed extent of this comprehensiveness. Within this framework this plan was set forth, in its major headings and its details, as if it were the first Arab report for unified, progressive pan-Arab culture, trying to move beyond the incoherent, fractious Arab situation and the threatening dangers of retreat and withdrawal. However, in spite of its diverse and general nature, and in spite of its comprehensive orientation, it formulated, in their essence, the suggestions and resolutions that the conference adopted unanimously. We believe that the recommendations and resolutions issued by this conference, should they and what relates them to the needs of the current stages be implemented, will make this conference a prominent turning point returning Arab culture to its pivotal and central position, putting it in the comprehensive developmental position which is intertwined with the sum total of the expressions of the Arab situation and its standards, that it is a spur to cultural action which is more radical and more related to the needs and demands of the age, and that it is a clear invitation to join in the creation of Arab and international culture. The conference has taken an adventurous step in moving beyond Arab political conflicts and another adventurous step in adopting the comprehensive plan by formulating it in recommendations and resolutions. The third adventurous step remains, which is implementation of the recommendations and preparation of the conditions and climate to transform them from the theoretical level to the practical level.

The resolutions and recommendations issued by the conference, after a number of sessions of debate and argument, can be summarized in five basic points:

1. The status of the implementation of the resolutions of the fourth session of the conference.

2. Cultural issues (the major projects).

3. Evaluation and benefit studies.

4. Cultural laws.

5. The comprehensive plan for Arab culture.

I. The status of implementation of the resolutions of the fourth session of the conference.

The conference recorded the assessment of the efforts that the organization expended to set down the status of the implementation of the resolutions of the fourth session of the conference, which met in Algeria. The general resolutions that it adopted include the following: a call for the organization to continue efforts to complete the remaining stages of implementation of projects distinguished by their comprehensiveness, and to prepare a comprehensive evaluation of the activities of the conference's first five sessions. Also, it called on the organization to urge the states to supply the organization with brief reports that express the status of implementation of the resolutions forwarded to them. Above all, the conference put emphasis on the resolutions of the fourth session, in that it singled out continued provision of support for organizations, groups and centers specializing in the preservation of the Arab heritage and its development in the Arab world. Further, the conference called for the organization to support the Arab theater by preparation of a study of the various Arab theatrical festivals and by providing aid for them. It called on the organization to contact the states to offer an invitation to the founding meeting of the union of Arab playwrights. It called for it to complete portions of a series on modern Arab fine arts and to convene a seminar on the Arab fine arts in cooperation with the Union of Fine Artists. Further, the conference called for the states to pay increased attention to Arab childrens' books for education and instruction and to development of Islamic Arab culture abroad.

II. Cultural issues (major projects).

The conference concentrated its recommendations and suggestions in eight basic areas:

1. An Arabic encyclopedia. The conference called for the Arab states and the organization to hurry to adopt a means to finance the previous conference's decisions. The director general called for continued support

for the budget of the encyclopedia in the coming financial sessions, and he called on the Arab states, organizations and establishments to provide scientific and technical support for this project. He called on the committee of directors and administrators of the encyclopedia to give consideration to coordination and cooperation with encyclopedia projects currently present in some Arab countries.

2. The Arab Center for Arabicization, Translation and Publications, several resolutions were passed, including seconding a resolution from the third conference of ministers responsible for higher education and scientific research in the Arab world that met in Baghdad in 1985.

3. The Higher Institute for Translation. The conference was informed of the Arab League council's approval, in its previous session, of the basic structure of the institute according to the decision of the standing legal committee in the secretariat general.

4. The Arab satellite. Several resolutions were passed concerning this, including the following: a call on the Arab Organization to draw up plans and to publish notices, books and information to help spread awareness of ways to use the Arab space network to serve culture; a call on the states to support efforts by the organization to establish a unit for the production of cultural films to be broadcast on the Arab space network: a call on the organization to convene a meeting to bring together officials of the media and culture in Arab countries to study adequate means to benefit from the satellite; and a call on the states and the organization to collaborate in production of programs for an international agreement for cultural development, which the general conference of UNESCO proposed, recommending it to the United Nations.

5. Confronting the attack of Zionist culture on Arab culture. Some of the recommendations in this area include the following: a call for the organization and the relevant agencies to hurry to complete a series on the cities of Palestine and to hurry to complete materials for a book on "Palestinian Artifacts," and to continue to support the center for documentation and restoration of Arab and Islamic landmarks in Jerusalem, and to participate in preparation and implementation of studies and programs pertaining to Palestinian heritage and the preservation of landmarks in Jerusalem.

6. The central Arab national library, concerning which the resolutions include calling on the director general to make contact with the responsible offices in the Socialist Peoples Libyan Arab Hamahiryah to complete the steps to implement the project of the central library in the city of Tripoli.

/Items 7 and 8 not given/

III. Evaluation and benefit studies.

The resolutions and recommendations in this area focus on the following five basic issues:

1. Activity related to the celebration of the arrival of the 15th century AH, concerning which the resolutions include a call for the states and the organization to implement projects that were prepared for the occasion, publication of a comprehensive volume documenting and arranging the activities of the states and the Arab, Islamic and international organizations, and planning for preparation of studies that will record the history of the events of the past century.

2. The Museum of Arab Civilization, concerning which it was resolved to call on the organization to complete the data contained in studies submitted to the organization concerning this project in the areas of the legal situation of the museum and its contents within the host country, estimation of the necessary costs, and the necessary educational dimensions for success of the project.

3. The Museum for Arab Civilization in Toledo, Spain, concerning which it was resolved to refer the continuing report on the museum to members of the standing committee for antiquities and museums.

4. Preservation of historic Arab and Islamic cities, concerning which the following resolutions were made: a call on the states and the organization to give concern to drawing up a list of priorities for historic Arab cities that are exposed to danger; a call on the relevant agencies to begin to implement the steps; a call on the organization and the states to enact laws that will help to document the historic cities and landmarks and to create ways to preserve and restore them, as well as to provide sufficient funds to maintain and protect the cities and to cooperate and coordinate with the specialized organizations, such as the Organization for Arab Cities and the Organization for Islamic Capitals.

5. Preservation of the Arab and Islamic cultural heritage in areas of armed conflict.

6. The Arab Center for Theatrical Creations and Studies, concerning which the following resolutions were made: to affirm the previous recommendation of the organization to provide financial and scientific support for projects of the Arab Center for Theatrical Study and Documentation in Baghdad and a call on the organization to provide financial and scientific support for projects of the Center for Theatrical Creations in Morocco after it has been established.

IV. Cultural laws.

The resolutions and recommendations in this area concentrate around four themes:

1. A project for a model law for the protection of Arab manuscripts.

2. A project for an Arab agreement to facilitate the transfer of cultural creativity.

3. Proposals concerning ways to sponsor intellectuals, including the following recommendations: a call on the states to honor the rights of freedom of expression for artists; a call on the organization and the states to search for ways to honor artists and to protect their material and expressive rights; a call on the states to provide full or partial grants to artists; and a call on the states to allocate retirement benefits to artists and to enact social security and health insurance laws.

4. An Arab agreement for copyright protection, concerning which it included a call on the states to issue national laws to protect the rights of writers.

V. The comprehensive plan for Arab culture.

This is equivalent to a deep and bold demonstration for Arab culture. It is the most comprehensive and the most important thing that has been issued from the Arab organizations in cultural affairs. The recommendations in this area include the following:

1. Approval of the plan in terms of its being a comprehensive, fundamental, and basic study from which guidance can be sought for the cultural process at the pan-Arab and national levels in the near, middle, and long term.

2. A call on the director general to take steps to ensure dissemination and design of the plan.

3. A call on the states to implement this plan.

4. A call on the director general to work to embrace the implementation programs for which planning has been completed within the planned project and budget, starting with the next session.

5. A call on the director general to work to translate this document into langauges used internally in cooperation with UNESCO.

The standing committee for Arab culture recommended acceptance of the invitation tendered by Syria to host the sixth session of the conference, for which the basic theme will be "Arab Culture and International Cultural Cooperation."

The work of the conference lasted 3 days and produced these recommendations and resolutions. The meeting of the first session was opened by Dr Abdelmajid Maziane, the Algerian minister of culture and tourism and chairman of the fourth session of the conference, held in Algeria. He

was followed by Dr Muhyi-al-Din Sabir, who spoke about this session and described it as being "the means for convening, within a conference, ministers of culture where real cultural accomplishments were realized in studies, recommendations, and resolutions."

The delegations commissioned Dr Najah al-'Attar, the minister of culture and chairperson of the delegation for Syria, to open the session. She addressed the conference, saying, "Arab culture is one of the most deeply rooted cultures in the world. It gave mankind gifts in past ages, gifts by which he acquired an international characteristic. It is a culture that is based on continuity, openness, generosity, and exchanges and interaction with other cultures...."

Bechir Ben Slama, the Tunisian minister of culture, also spoke and said that "every national experience remains inadequate as long as it does not extend cultural bridges and work within the framework of comprehensive Arab cultural vision...."

After his speech, a number of leaders of delegations followed each other to the speakers platform.

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CSO: 4504/136

ALGERIA

BRIEFS

IRAN SUPPORTS OPPOSITION GROUPS--The Algerian Foreign Ministry sent a letter to the Iranian Foreign Ministry which was delivered by the Algerian charge d'affaires in Tehran to Ali Akbar Velayati, the Iranian foreign minister. In the letter Algeria expressed strong displeasure at the Iranian regime's obvious involvement in the announcement of the forming of an opposition front led by Ahmed Ben Bella and Hocine Ait Ahmed. It is worth mentioning that the Algerians, in their response to Tehran's support of the groups opposing President Chadli Bendjedid, have begun some contacts with the Iranian opposition in Paris. This was at the end of last December. [Text] [London AL-DUSTUR in Arabic 6 Jan 86 p 3] /9599

CSO: 4504/171

EGYPT

PRESIDENT'S OBSERVATIONS, OPPOSITION REBUTTAL REVIEWED

President Discusses Current Problems

Cairo AL-AHRAM in Arabic 16 Dec 85 pp 4, 6

[Interview with President Husni Mubarak by Ahmad al-Jarallah: "Text of Mubarak's Interview with Kuwaiti paper AL-SIYASAH"; date and place not given]

[Text] Before meeting President Mubarak, I read many of his press interviews. I remembered how this man had been exposed to much inner tension, but persevered because in fact this is not a local tension, that is, it is a non-Egyptian tension but instead a tension that is outside of Egypt. He has given it much attention but has not succeeded in his goals, and this is the source of anxiety for the Egyptian political administration.

I said previously, following earlier interviews with President Husni Mubarak, that it is a new kind of political leadership which Egypt needs in its coming years, and now I come back and underline this statement today. It is a kind of leadership which involves the spirit of following up on internal affairs, a process which Egypt's affairs need so that they may be carried out.

In Egypt, with all the economic activities, there is a change which you witness and feel as a visitor coming back from time to time, especially if you are a fair visitor. I met with the president more than 10 months after meeting with him the last time. Nothing had changed except the security measures, which had become more careful and of a more elegant style.

It was a long conversation. Some of it, as usual, was for publication, and some of it was just for information for an Arab journalist who has been given the confidence of a president who has gone through many dangers.

Question: Mr President, in the framework of what has happened, is Egypt being made a target in order to attain a level of frustration disrupting and affecting its internal security? Then, what is the body that is making it such a target?

The president: Most unfortunately, I can say that our Arab world does not look deeply into issues. Perhaps it does not read them, although there are

educated people in this world and there are good people in it who deal with the world, discern situations and understand them well. Why is Egypt a target? Then, if it is, what can people do for Egypt? Egypt is a target through operations which it is said came from abroad, and it has been penetrated. The fact is that we as Arabs do not understand our interests, and as long as we are at this level of fierce internecine conflict, it is easy for us to be exploited by the outer world. This is a valid point.

However, I am not casting accusations at the outer world. My real accusation is against us as Arabs. The fault is in ourselves. The situation in the Arab world is bad and nothing resembles it. Our problems are with some Arab countries that have said "We want to abrogate Camp David." Fine, let us abrogate Camp David -- what for? Then what is the alternative? Shall we leave Egyptian territory occupied? The issue is not "against me and against my enemies." I want to wonder if any war resolved an issue. War did not resolve America's situation with Vietnam. The truce agreement was reached because the war did not settle anything. Has the war in Afghanistan now settled the Soviet presence? Let us then come back and repeat, what is the Camp David agreement? We have said that it is two pieces of paper. One piece of paper concerned land in exchange for peace, and was carried out. We have told our Arab brothers that they must benefot from the peace between us and Israel on behalf of the Arab cause. We have benefitted from the relationship with Israel with respect to many Arab and international issues, and the results have turned out well.

The People of Egypt Reject the Abrogation of Camp David

Let me go on to say that the second piece of paper in the Camp David agreement is the solution to the Palestine cause from all its angles. This is now frozen!

The abrogation of Camp David, which some people want, means the declaration of a state of war with Israel. The Egyptian people reject that as a result of the bitter experiences they have gone through, and I challenge anyone in the Arab world to say that the Egyptian people want the abrogation of this treaty. Should I abrogate the Camp David treaty because there is a country or two which do not want it? We will not permit that. All right, forget about the Camp David treaty; we are now talking about a Jordanian-Palestinian agreement to resolve the issue. All right, why the strikes against it? They want to abort it. Why? Therefore we are all behind one another against one another. The Arab world's problem is not an American problem or a Soviet one. It is an Arab problem.

Here I remember a letter that came from President Carter when he was president of the United States. The letter reached the late President Anwar al-Sadat in September 1977. It was in President Carter's handwriting. He said that the intra-Arab problem was more ferocious than the Arab-Israeli problem. In my opinion, if we want to resolve the issue, let us sit down and talk. The Arabs do not want to sit down with one another. Doesn't that mean catastrophe? We want them to sit down even without Egypt and agree on a unified opinion. The business of arranging the Arab summit failed. King Hassan tried, some people did not attend it and others renounced it. The

current circumstances in the Arab world are ones that involve greater fragmentation than the ones in the past. Although this world is full of resources, they are resources which are used for other than the world's own benefit. We are now a plaything in the world's hands because the intra-Arab problem has become aggravated. Let us look at the situation between Algeria and Libya, the situation between Tunisia and Libya, the situation between Egypt and Libya, Iraq and Libya, Syria and Iraq, and the axes that exist in the Arab world. The problems that exist in the Arab world are unparalleled. Therefore this world's resources are used for other than their proper purposes, for intra-Arab fighting. It is the foreigner who benefits from these resources, he who exploits the disputes and struggles within this world that is rich in resources. The Arab resources go to the people who exploit this world's struggles and disputes and are converted into a rise in the standard of living for them, while we here, the standard of living here is in decline because our resources go to areas other than those they are supposed to.

'Arafat Alone Cannot Bring People Together

Question: There is a question: what is it that is keeping the Palestinians from acknowledging Resolution 242 and Resolution 338?

The President: A certain Arab country is manipulating the Arab situation. More than one country holding more than one position interferes with the Palestine Liberation Organization. It will require a reconciliation among these positions for the organization to recognize the Security Council resolution. We told Mr Yasir 'Arafat so. We told him, "Bring people's positions together." However, the Palestine cause is being fought over by many Arab positions in addition to the Palestinian ones. The result is that the cause will suffer and I do not know if that is what the Arabs want. We told Abu 'Ammar, define your position on Resolution 242 and Resolution 338, because if the international conference is held it will concentrate on them. However, Mr Yasir 'Arafat by himself is unable to bring people's positions together now, because of the parties speculating in the Palestinian cause. Egypt has done the impossible, but the other Arab positions are taken for considerations other than those benefitting the Palestine cause.

The Basic Issue Is, Are We Ready?

Question: Mr President, Mr Shultz has said that Murphy made "progress" after his visit to Syria. Are there specific signs that confirm that?

The President: America's role is that it listens to the parties to the conflict and sometimes seems to notice what it considers "progress," but the issue, basically, is, is the Arab world ready to exploit the circumstances? Syria says that it is ready but it appears that these are all maneuvers. The issue is not America and it is not an American conception. The issue is, are we ready? America cannot impose what you do not want on you. It is what we want that must be clear. We must exploit the opportunity of flexibility that exists in the current Israeli government. There are people who do not have a conception about this flexibility, and we must proceed so that we can see the end of it.

Histrionics and Ridiculous Calculations

Question: Mr President, if the Arab situation remains as it is for a period of 5 years, I mean, if this climate of contradiction persists, what will happen?

The President: There is an Arab conception which considers that we must wait and build our internal force and they back up this statement with histrionics and a philosophy of "ridiculous" calculations. I am a man who does not deal in histrionics. We here in Egypt deal with the actual situation. If the 5 years you asked about go by, goodbye to the Palestine cause. Who of us can wait 5 years? King Husayn, for example? Can he wait a long time at a time when his country and his people want to live? We here in Egypt have waged ruinous wars and our minds and our thinking are that we do not import our decisions from other Arab countries.

We Are Commited to Our Treaties and Israel Bears Its Responsibilities

Question: Mr President, there are people in Israel who have sensed that Camp David is an agreement that involved swindling Israel.

The President: Yes, people have said that more than once.

Question: Doesn't that mean that the Israelis are anxious to abrogate the Camp David agreement?

The President: We must commit ourselves to our international treaties, and Israel bears its responsibilities before world public opinion.

Question: Do you believe, Mr President, that if the Palestinians reach agreement over Resolution 242 that will mean the end of the Middle East crisis?

The President: The agreement to Resolution 242 by the Liberation Organization will mean preparing the atmosphere for holding the international conference. After that, the labor will be a long one -- I mean the labor of the talks. With Palestinian agreement to Resolution 242, we will have eliminated the obstacle to the holding of the international conference. After that come the discussions, which will require some time for give and take. That is natural.

We Have Taken Our Land and Have Not Forgotten Palestine

Question: Mr President, do you believe that the degree of frustration among Arab parties, such as King Husayn, has reached the point where they are prepared to make an agreement like the Egyptian agreement with Israel?

The President: I am not in a position to talk about King Husayn, but the Palestinians must not push King Husayn to the point of despair. He is the king of a country and he has a people and a public opinion. War has tired his people out. The Jordanian people do not want their issues to remain pending and unresolved. Of course, that does not mean that I know that King

Husayn has specific solutions, but I can imagine myself in his place, where I find myself in a predicament, not allowed to move, while others are not allowed to move, and am staying in my position, neither a state of war or a state of peace, where this vacillating policy exhausts my resources. I imagine myself in King Husayn's place and consider that if I acted as Egypt did I would be told that I was striving for a "separate solution" and would be faced with severe Arab political criticism.

We in Egypt function from the premise that every Arab country can do what is in its national interests. The Camp David treaty was from this premise, and we got our land. However, we have not forgotten the Palestine cause. Indeed, we are the ones who have been the most exhausted by it, although we are suffering from the repeated statement that Egypt "made a separate peace," as if they want Egypt to fail to get its land. We did not renounce the Arab causes. They want us to wait until they arrive at a specific form of resolution through their "acts of genius". We could wait for years!

I Did Not Talk about Military Cooperation in Muscat

Question: Mr President, how did things work out in your meetings in Muscat with the crown princes of the Gulf countries?

The President: The meetings were good and reflected the warmth of long-standing brotherly relations. Talk took place on numerous subjects, with our brother His Highness Prince 'Abdallah Ibn 'Abd-al-'Aziz, with His Highness Shaykh Sa'd al-'Abdallah, Khalifah Ibn Zayid, and Hamad Ibn 'Isa, the crown prince of Bahrain. The discussion was brotherly and extremely warm.

Question: People have volunteered talk about the atmosphere of military relations about which discussion took place between you and Sultan Qabus, aimed at cooperation over the Strait of Hormoz if it is subject to a shutdown. Is it correct?

The President: Such a discussion did not take place with Sultan Qabus. There was a discussion over other things, but we did not talk about military cooperation. Oman can manage its own affairs.

Unlimited Freedom of Opinion in Egypt

Question: In the climate of tension which the region has been experiencing, which has had Egypt as its target, there are people who talk about three things:

One, the office of the president in Egypt has not been able to control security.

Two, stability in Egypt has started faltering.

Three, it is the organization "Free Men of Egypt" that hijacked the plane.

Mr President, while noting that I do not find this question convincing, nonetheless I want to rebut what has been whispered about.

The President: There are many forces which do not like Egypt or Egypt's stability. I am the president of a country and was elected by the Egyptian people. I did not come in by force. The day I feel that the people do not want me to stay on, I will not remain, I will leave. The people who hijacked the plane said that they were the Free Men of Egypt. If the Free Men of Egypt exist, why are they outside Egypt? There are no quarantines here and there are no limits on people's opinions. Here freedom of opinion has reached the point where they criticize anything that could be said about Egypt's revolution or the revolution of its free men, as if the country here were governed by a dictatorial regime. They had the right to talk from abroad, as is the case in some other Arab countries. Here we are not expropriating a single newspaper in spite of everything that is being written in them, and much of what is written is not true. Rather, we are letting them write what they want, and we have become accustomed here to accepting what is written.

Egyptian Weapons Will Not Reach out To Kill the People of Libya

Question: Mr President, people asked you if you were going to fight Libya when Egypt mobilized its forces on the western borders. My question is, why don't you go to war with Libya, because there are people who want that?

The President: Let me repeat a fact, which is that there is nothing out of the ordinary between the people of Egypt and the people of Libya. Egyptian weapons cannot reach out to kill the Libyan people. If the man in Libya is behind the terrorist incidents, that is another issue. We will not hold the Libyan people to the crime of a single man who is not straight. I have raised the state of military preparedness. As for mobilization, we do not have mobilizations. You can go to the border yourself and confirm that. It was said in hte past that Ra's Banas was an American base, and I believe that you went there and did not find any American army on Egyptian territory.

The states of preparedness were raised as a type of precaution. I cannot vouch for that man's side. We here will not start war because I am a military man and I know the tragedies of war. If the intention of getting into a war with Libya had existed, that would have been some time ago. We have the goal of good neighborliness. Al-Qadhdhafi sent me about 14 representatives, including Qadhdhaf al-Damm. Libya denied all the news about these representatives when the news of their meetings in Egypt leaded out. Libya said, concerning Qadhdhaf al-Damm, that he was a junior officer who loved the Egyptians and that it had not sent him. Qadhdhaf al-Dam brought a letter from Libya. The second emissary, 'Abd-al-Fattah Yunus, crossed the borders, and a delegation was with him. He talked with us from the premise that he could buy Egypt for 5 billion, so that Egypt would relinquish the credibility of its international commitments. I told the emissaries that we wanted good neighborly relations, and they recommended a meeting between me and President Mu'ammar al-Qadhdhafi. I did not put up obstacles. I told them, let us meet him at the borders or on neutral ground, or let him be so kind as to come here.

Question: Are you prepared to receive the Libya president here after all that has happened?

The President: We will welcome him in Cairo. Let him be so kind as to come; we will not refuse to receive him. What we want from al-Qadhdhafi is good neighborliness.

Question: Is it certain that you will receive al-Qadhdhafi here if he comes?

The President: Yes, I will receive him, and the invitation is open to him any time he wants. I publish it in your newspaper. Let him be so kind as to come.

Question: Mr President, do you believe that the situation might prompt America, through its undertaking to fight terrorism, to kidnap a head of state who says that he is behind the terrorism?

The President: America is a great power, it has a public opinion and it is not a country of "kidnappings." This is a child's game, it is playing with fire, and I do not believe that that would be easy.

Egypt Does Not Accept Interference in Its Affairs

Question: There are people who interpreted the military mobilizations or the raising of Egyptian military preparedness as an Egyptian-American arrangement to strike at Libya.

The President: That is nice, that we should become copy for people who cannot find anything to write about. Egypt does not accept interference in its affairs and we are not a country on which opinions can be imposed. The decision to raise the state of military preparedness came an hour after the hijacking of the airplane, taking into account any measures the person who was behind these hijackers might venture on. I guessed who was behind this action the moment it was said the plane was headed for Malta.

There has been much talk about Egypt. The day one of our planes broke the sound barrier, it was said that Cairo was being subjected to bombings. The decisions on Egypt's sovereignty are in its own hands. However, there are people who are "lucky" in philosophizing about things because they themselves have gone bankrupt. America did not ask us and we did not ask its permission. The decision to raise the military preparedness was Egyptian to the core. There are people who imagine that Egypt will not do anything without permission from America! When our relations with the Russians were as they were, we did not ask the Russians for permission, even though those relations were developed. In any event, we here are using our minds; let them say what they want!

There Are People for and against Every Decision

Question: There are people who were in favor of the assault on the hijacked Egyptian plane and there are people who were against it. Do you believe that the decision to make the assault might prevent operations of this sort in the future?

The President: Any decision we would have taken would have had proponents who would have been for it and opponents who would have been against it. If

we had let the terrorists kill the airplane's passengers one by one, we would have lost them all and exposed ourselves to criticism, and people would have had questions about the Egyptian commando forces present at the Malta airport. It would have been said that the Egyptian leadership had taken a negative stand because it did not take a decision. Had the plane taken off without interference, the question would have been, where will it land? Libya, from the first moment, said that it did not know anything about this operation and that it was innocent of it! My evaluation is that if the Maltese authorities had allowed the airplane to take off, it would have landed at Tripoli airport, because no one would have let the airplane in, except Libya of course. Libya would have deliberately blown up the plane in order to eliminate any connection between itself and the plane. The plane's landing in Libya would have entailed an embarrassment for the Libyan position in terms of revealing the nationalities of these hijackers or the people who were behind them! Libya in that case would have succumbed to an international quagmire if it had not tried these hijackers. Therefore, it would have deliberately blown up the plane on the claim that the hijackers had blown it up, and it would be said that they were Egyptians. It has been proved that the hijackers were not Egyptians. We said that the person who hijacked the airplane and made arrangements for it was present in Room 401 in a Tripoli hotel. The result was that Libya brought in news agencies in the course of a "ludicrous fabrication" and said there was no one in Room 401. All right -- isn't it possible that he went someplace else after we had revealed his location?

The Airplane Passengers Experienced a Slow Execution

Question: Mr President, there are people who believe that the assault operation was a bold and difficult decision as well.

The President: We attempted the impossible. We attempted the assault when we saw that people were dying. As I said, our forces did not use bombs and did not enter by the cargo door. They used a "noise generator" to divert attention and came in through the emergency windows. These were opened rapidly and they came in through the main door of the plane, which had been locked. The Egyptian forces did not use any bombs, as has been said. These are forces with a high level of training! The sight of the passengers was tragic. They were asked to bend down over the seats from the time of the hijacking. The stewardess described how the passengers were treated. The stewardess said that she could not raise her head and was afraid to see what the hijackers looked like, because it was her feeling that they would shoot her. The passengers of the airplane went through a death sentence that was carried out slowly. Our forces did not strike at the passengers, because basically the passengers were in a specific position. The people standing were hijackers, of course.

An explosive was hooked up to the main door and therefore when an attempt was made to open the main door one of the commandoes was consumed by the explosion and lost his legs. Yes, we lost 59 people in this assault, but if we had left things to the hijackers they would have destroyed everyone.

If We Had Abandoned the Airplane Libya Would Have Blown It up!

Question: Why didn't you deal with the case of the Egyptian plane the way they dealt with the case of the TWA plane in Beirut?

The President: There is a difference, because demands were made and negotiations took place over a period of 17 days with regard to the TWA plane and only one person on it was killed. Bargaining took place as a result of the release of 1,500 prisoners in Israel. There were hijacking demands in the case of the TWA plane. There were no demands in the case of the Egyptian plane. The circumstances the Egyptian plane went through are well known, as far as the government of Malta's refusal to supply it with fuel or the sudden abandonment of followup on the matter by the Libyan ambassador there were concerned. Moreover the plane could not take off. There were holes in it as a result of the shooting.

The commander of the airplane started shouting and asking where Egypt was, to protect him and protect his passengers, against whom they had started to carry out the death penalty, one by one, without known demands. One of the passengers was a woman; she was stripped down and they beat her on her chest. A limit had to be put to the brutal conduct of those people. There are people they beat and of course with the beating and the shots they panicked and perhaps fainted, and they threw them out the airplane door without allowing anyone to approach them for treatment in an attempt to save their lives, if they still were alive. We took the decision to assault after evidence confirmed that all the passengers were then under a death sentence at these people's hands: once again I repeat, if we had abandoned the airplane, its destination certainly would have been Libya. In our evaluation, it would have been blown up because it was not desired that the nationality of the hijackers be revealed. Therefore, it was desired that people imagine that they were from Egypt. If the airplane were blown up in Libya, we would have faced criticism that we had not assaulted the airplane. In any event, there are pros and cons to any decision, and we adhere to the responsibilities of our decision.

Iran Clashes with the Dignity of the People of Iraq

Question: Mr President, is there anything new on the Gulf war?

The President: We have no new ideas. There are no signs which inspire hope. There is one side that is ready for peace, Iraq, and another side which rejects peace, Iran, which as a condition for peace wants to bring down the Iraqi president, which is something to be rejected. The Iraqi people adhere to their leadership, because theirs is a country with its own sovereignty, and its people have their own decisions, which arise from them. When you stipulate a change in leadership, you clash with the dignity of the people, and the people of Iraq reject the Iranian condition.

The Opposition Pursues Things from a Party Perspective

Question: During the Egyptian airplane hijacking, you met with the Egyptian opposition and described the situation to them. Did they agree with you over your description?

The President: I met the opposition and explained everything to them, and they are well aware of that.

Question: What was the opposition's position?

The President: You have heard them on the television and radio. However, they pursue some things from a party perspective since some of them are compelled to state different things so that it will not be said that they are in agreement with the government. I for my part challenge anyone to have taken a decision different from the one that was taken, especially regarding the subject of the assault on the hijacked plane, if he had been in the government.

Question: But some people have criticized government positions in a manner that could affect the course of action here.

The President: Everyone has freedom in what he says. I spoke with conviction and explained the situation to them. Everyone was convinced. However, some people are saying things different from the convictions I sensed during the meeting. I am not tying people's tongues. There is freedom to maneuver and personal freedom in this atmosphere, that is, this atmosphere of freedom. I act in a manner which I believe will satisfy my conscience and consider to be in keeping with the public interest. If I personally were outside the government and someone else was in my place, I would find the opportunity to criticize.

There is nothing harmful in this phenomenon. The freedom of opinions here is inviolate, and it is better that things be said inside Egypt than outside it. Now freedom is exercised inside Egypt. Citizens differ over one opinion and concur over another.

The Economic Problem Is Not Just an Egyptian One

Question: Mr President, as regards the Egyptian economic question, there has been a drop in revenues from the Suez Canal, a drop in oil revenues, and also a drop in the remittances of expatriates. How great is the damage to your economic arrangements from that?

The President: The drop is causing us some difficulties, but what is more aggravating for us is the loans and the instalments and interest on the loans. However, we feel that we can rise above them and the conviction here is that the economic problem is not just an Egyptian one. The whole world is suffering from what we are suffering from. The president of an African country told me once that 10 percent of his balance of payments went to oil and after the rise in the oil price it went up to 60 percent, all of which was commitments in hard currency. Oil alone is not the only commodity whose prices have risen. The prices of the other commodities have risen, and we are importers of many commodities. We are seeking to rise above our problems, but Egypt is not the only one suffering from economic problems.

Egypt's Debts To Build up Egypt

Question: There are people who consider that raising the slogan of building up Egypt, rather than the slogan of "paying Egypt's debts," would be more realistic to oneself.

The President: On the issue of paying off debts, it is not shameful that we should be debtors. Most countries have debts, perhaps greater than Egypt's. The meaning is the same, whether that is payment of Egypt's debts or the building up of Egypt; these are all slogans which lie within a single notion.

All other countries go into debt to build themselves up, as long as this debt is used for building and not for luxury. That is natural. If the loans go to production, they are debts with a payout.

The Drug Endemic Has Moved over from You

Question: There are people who have spoken about the subject of drugs in Egypt, to the point where the hard currency requirements for drugs have been estimated at $8 billion. Of course, that is an exaggerated amount, but it has been raised. What is your excellency's opinion?

The President: You follow the news on Egypt assiduously. Drugs came to us recently in Egypt -- I mean the new types of drugs. These types of drugs were in your midst before they came here. The epidemic of these drugs came from certain affluent countries. Egypt of course does not need this sort of epidemic. We are now protecting ourselves against this epidemic that is reaching us from abroad, and the confrontation and indoctrination against it is proceeding with positive results so that its dangers may be reduced. As for the estimates of the economic losses from drugs, they are not to that exaggerated extent. It appears that sometimes when the press does not have anything to write about it will write about anything, if this thing is exaggerated or inflated. Of course this press will not write that Egypt is paying $100 million for drugs. There is nothing shocking in that figure. Therefore, you have to say that Egypt is importing drugs worth $8 billion. This figure is unreasonable and grossly exaggerated!

I Am Not Disturbed by the Noise and I Do Not Have an "Entourage!"

Question: Mr President, in the framework of the noise about the "climate of freedom," I don't believe that that might affect the work of your assistants in the form of ministers and others.

The President: I am not disturbed from this angle. The Egyptian people are good at choosing and discriminating. I am not afraid of this noise.

Question: When it is confirmed to some adversaries that the president's office is sound, we find them saying of their adversaries that the president is "all right" but his entourage is "bad." What does that mean?

The President: For God's sake, I personally wonder about this entourage they are talking about. Maybe the real reason is that I actually do not have an

entourage. Even my relatives are far from benefiting from my presence in power.

Opposition Head Rebuts Claims

Cairo AL-SHA'B in Arabic 24 Dec 85 p 10

[Article by Fathi Radwan]

[Text] The president has given a copious interview to Mr Ahmad al-Jarallah, editor in chief of the Kuwaiti newspaper AL-SIYASAH, who specializes in interviews supporting the al-Sadatist tendency and people loyal to it. It was a clear interview, in which the president expressed his ideas and views articulately and perhaps heatedly. What gave me pause in this interview was the president's challenge that if a referendum was held we would not find a single person supporting the abrogation of Camp David.

It would be good for the conversation between us, us the opposition and the president, to be brought before the sight and hearing of the public, so the two sides could say what was going on in their minds and working on their spirits, in the loudest voice, with mouths wide open, and without dissimulation. That is the way to define ideas and show positions, and it is the optimum means of political education.

Since I held an opinion contrary to that the president stated, by way of a challenge to us, I have considered it proper to explain to his excellency what it is that makes him believe that the Egyptian people are unanimous in supporting the Camp David treaty, while we consider, from the conduct of the Egyptian people, that under the best of suppositions this treaty does not preoccupy them but as an overall majority they are opposed to it, resent it and want it to be abrogated, if they are a group that is preoccupied with political affairs in their country and follow what is going on in it on a daily basis.

We have flagrant, eloquent proof counter to the president's view. His excellency was in power when the person who made this treaty, who advocated the signing of it and who promoted the idea of it was killed. Indeed, he was with this active proponent in the same place, and nothing separated the two. When he assumed power and became president in the place that was vacated by al-Sadat's death, he ordered that the funeral of his predecessor, the hero of the peace treaty, be observed far from the people in a remote area of the city of Cairo. The person who was the object of this funeral was a man who had been condemned to death by a trial and it was not permitted that services should be performed over his corpse at a funeral attended by all the people, with those who wanted to cry crying and those who wanted to wail wailing. Movies and television clips were shown in various areas of the world, and people saw that the funeral was official only and that those who were at the center of it were the three former American presidents whom the American people had subsequently removed, the first taken to trial for a crime he had committed against his country and its constitution, meaning Richard Nixon, and, by their side, the person most hostile to Egypt and the Arabs and the one who most flaunted the law and human rights and sacred

things -- none other than Menachem Begin, whom the British government refused to allow into their country, on grounds that he was a terrorist with a bad name.

Where were the honorable Egyptian people for whose sake al-Sadat died, and for whom he gave up his life and soul in order to conclude the Camp David treaty, which the Egyptians believed in when it was concluded, and still believe in to this day?

I remember that when al-Sadat was killed we were fettered in chains and consigned to the depths of prisons by the order of the hero of the war and the hero of the peace. The prison department was assigned by order of the general security department to convey the news of al-Sadat's killing to us gradually, so that a clash would not occur which would drive the prisoners and detainees to break out of prison and create a row within it in joy over the news which reached us. We had scarcely received it, and pleaded for God's mercy over him, when the prison employees in the form of military and civilian figures started to rain down on us what had circulated, and what the people had related, concerning the blatant and distasteful jokes that had been made by way of comment on al-Sadat's murder. The blood of the deceased was still warm and his funeral had not yet been held, but nonetheless no responsible person did not find comfort in repeating or telling a joke, accompanied by a loud guffaw. I will not hide it from the president that this official conduct on the one hand is to be considered as close as can be to the security department. We were struck because we had imagined that the awe and veneration of death would impart some dignity and respect to the slain president, proceeding with the custom of Egyptians, Orientals and perhaps all people. However, things turned out differently from what had been imagined, the jokes, pleasantries and sarcastic statements continued to flow over us, and all of us were struck by this position of the people's, which makes us dispense with any commentary.

The Arab position was sterner. The heads of Arab countries, without exception, boycotted the beloved martyr's funeral; such a boycott was also contrary to the traditions of Moslem Arabs, Orientals and perhaps all people. The prevalent traditions observed are that during and before death, people all forget their disputes with the deceased until the funeral and the bereavement are over and are persuaded to repeat general phrases such as "We belong to God and to him we will return," "That is for us all," "God have mercy on the deceased." However, the Arab kings and presidents violated this tradition and left al-Sadat's corpse to be bereaved in a remote place in farthest Cairo, surrounded only by foreigners, whom we have known since the start of the 19th century to be the enemies of Egypt, the enemies of the Arabs, and perhaps the enemies of mankind. Is this violent stand in agreement with the Egyptians' overwhelming faith and comprehensive support for the Camp David treaty?

If we move on to the subject and leave the background behind, I believe we will unanimously agree that the Egyptian people are a wise people, people who make proper evaluations, know their interests well and defend them in a manner which calls for amazement. If we accept for the sake of argument that these people gave agreement to the Camp David treaty, because they had tried

their luck in the wars of 1948, 1956 and 1967, were defeated and lost thousands of their people in the battlefield, along with materiel, weapons and ammunition in these wars and realized that it was not in their power to fight the Israelis and that any skirmish with them would bring their armies to come to Opera Square, as the president told us frankly when he met us in 'Urubah Palace after his noble decree releasing us, would these people, who are accustomed to defeats and who hate fighting for the sake of losing, believe that the Camp David treaty would spare them another war and that they would live safe and secure to the end of their lives, occupied with such serious causes as subsidies, the means of carrying them out, or justifications for abrogating them, along with other spices to enhance their appetite for accepting life in this world, such as the "great awakening," which is a true awakening this time, and not a slogan like those which came before such as the administrative revolution, shaking the ruling apparatus, the green revolution and the like? If we imagine that the Egyptian people totally believed that the 1973 war was the last war and that they had totally washed their hands of these silly ideas, the ideas of preparing to fight the children of Israel, does his excellency the president imagine that the faith of the noble Egyptian people has not been shaken by the Camp David agreement since it was concluded in 1979? Does his excellency imagine that the people of Egypt still believe that this treaty has achieved peace for the region and that all that has gone on in southern Lebanon, with the forces of Palestine, does not prove, remotely or closely, that the Camp David treaty was a direct prelude to peace, even if it has been a cold peace, as the minister of state for foreign affairs said, while most commentators in the world's newspapers, the news companies, and the radio and television means of mass communication considered that the desired peace was bleeding blood heated to the highest degree, after it had joined the battalion of the people resisting the Israeli occupation, the Zionist invasion and the violations of human rights at the hands of Shamir, Sharon and Shalon, not in Sabra and Shatila alone but also everywhere in the south, like the prison of al-Miyah Miyah, 'Ayn al-Hilwah, and other places which the blood of young Arab men and women, Palestinians, Shiites and Sunnites, has fertilized?

Now we would like to get to the essence of this article. Does his excellency the president consider that it could possibly be natural, in a country like Egypt, dominated by freedom and democracy, that 7 dry years should pass since the execution of the 1979 treaty, with a radio service in Egypt that contains a substantial number of stations, with a television service that is sometimes called television and sometimes the visual medium broadcasting from 1100 hours in the morning to midnight, along with nationwide papers, that is, speaking for the whole people without partiality or favoritism, and yet the Egyptian people should not hear, read or observe a single word, just a single word, touching upon Camp David, even if that represents the touch of a gentle breeze or fine silk? Isn't that strange, perverse situation to be considered a challenge to democracy and also the unremitting statements praising this democracy and glorifying its power?

I believe that we are not lying and are not saying what is not true when we assert that the propaganda agencies, known in the Arabs' countries as the media, were created to form public opinion and to provide it with many numerous diverse views issued among people of different ideologies, tendencies,

talents and orientations. Has a single politician, a single commentator who is not very satisfied with the Camp David treaty (not to say inimical to it or assailing it) been able to pass over the threshold of this massive building and tremendous edifice which looks out proudly over the Nile in which, like a beehive, the voices of speakers, commentators, representatives, artists and writers of songs resonate into whose ranks not a single person has infiltrated, just a single person, saying two words against Camp David or describing its stipulations and revealing the extent of its inadequacy in realizing the hope of the Palestinians in establishing a country for themselves or a hope that they would have the right to self determination?

Therefore Mr President, your excellency is totally correct that all the Egyptians are in favor of Camp David and that all Egyptians are afraid of war and hate to fight, because of the long time they have been defeated.

However, the reason for all that lies in their not having heard anyone talk to them about anything which contradicts this view or opposes this tendency. If what I say is the truth, can we consider the Egyptians to be in support of Camp David, adhering to it and wanting nothing beside it, no matter what hardships and catastrophes might afflict them because of it? Or are they victims of a position which challenges freedom and demolishes it?

I will not answer.

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SELECTION OF VICE-PRESIDENT CONSIDERED

London AL-MAJALLAH in Arabic 18-24 Dec 85 pp 18-19

/Article by 'Abd-al-Latif al-Manawi: "The Problem of Selection of the Second Man in Egypt: Field Marshal Abu Ghazzalah is the Most and Least Likely Candidate"/

/Text/ The Egyptian constitution does not specify that the vice-president of the republic must be from the armed forces. "When I choose a vice-president, I want to present the people with a vice-president who might be elected after me." This is one of Egyptian President Mubarak's answers when asked about his delay in appointing his vice-president. The topic of the appointment of a vice-president for President Mubarak is one of the most important and well-known issues undecided since he assumed the government immediately upon the assassination of former president Anwar al-Sadat, and a great many predictions have circulated around it. The stock of some has risen occasionally but has tumbled before long. One name has continued to move up and down. Its strength has varied, sometimes being high, sometimes low, but it has always been among the names of candidates for the position of vice-president, and occasionally is singled out as the sole candidate. This is the name of Field Marshall Muhammad 'Abd-al-Halim Abu Ghazzalah, deputy prime minister and minister of defense and war production for Egypt.

A great many questions have revolved around the topic of the undecided vice-president and Field Marshal Abu Ghazzalah's place in the structure of the government in Egypt. This is an attempt to answer the questions about this issue, insofar as we are able.

Although Egypt announced itself to be a republic in June 1953, and Major General Muhammad Najib and, after him, Jamal 'Abd-al-Nasir, assumed the position of president of the republic, there was no position called vice-president of the republic until 1958, when General 'Abd-al-Hakim 'Amir assumed the position of vice-president when 'Abd-al-Nasir was abroad. Then, in March 1964, he was appointed first vice-president of the republic, for the first time in the United Arab Republic. He remained in the position of vice-president until he resigned all of his posts on 8 June 1967. He later committed suicide, on 14 September of the same year. In the shadow of the presence of 'Abd-al-Hakim 'Amir as

first vice-president of the republic, a number of individuals were appointed to the position of vice-president of the republic, 'Abd-al-Latif al-Baghdadi, holding it from 1958-1965, Kamal-al-Din Husayn, from 1961-1965, and Zakariya Muhyi-al-Din. Thus it appears that, during the government of 'Abd-al-Nasir, the position of vice-president was held by a number of men, some of whom held it for a period of years. But 'Abd-al-Hakim 'Amir was the only one who remained in the position until he resigned.

After al-Sadat assumed the government, he appointed Husayn al-Shafi'i and 'Ali Sabri as vice-presidents of the republic.

On 16 April 1975, al-Sadat appointed Muhammad Husni Mubarak, who was at that time chief of the air force, to the position of vice-president of the republic. He became the first and only active vice-president after the seclusion of Husayn al-Shafi'i, who did not retire from nor was he relieved of his position, although he retired from political life and turned towards the religious inclination; that is, constitutionally, he is still considered to be a vice-president of the republic. Mubarak remained in the position of vice-president until the assassination of al-Sadat in October 1981, and he assumed the position of president of the republic after his nomination to it by the parliament.

The Revolution of Expectations

It is noticeable that those who have assumed the position of vice-president in Egypt have until now come from the military establishment, with the exception of Mahmud Fawzi. After Mubarak assumed power, a revolution of expectations began among a number of sectors in Egypt, expecting that change has come to be the fundamental choice facing Mubarak. Within the framework of new methods expected from the government, the possibility of appointing a vice-president from among the military was considered unlikely, even though Field Marshal Abu Ghazzalah was among the candidates for the position.

Dr Hilmi Murad, the second man in the Labor Party, thinks that if the Egyptian constitution has given complete freedom to the president of the republic in his choice of vice-president, then the lack of an appointment is contradictory to the course of the political process. This is because, if the president of the republic should die unexpectedly, there must be a vice-president so that he can nominate himself to the position of president so that there is no confusion in the political process. Therefore, the lack of selection of a vice-president until now is not consistent with the nature of the political process, which requires rapid execution and familiarity with a variety of matters.

Among the names that have risen and fallen as candidate for the position, other than that of Abu Ghazzalah, is that of Mr Kamal Hasan 'Ali, the former prime minister, who is also from the military establishment. He was minister of defense before he was appointed prime minister. He graduated from the war college before Abu Ghazzalah did, graduating in 1942, while Abu Ghazzalah graduated in 1949. The name of Kamal Hasan 'Ali has been mentioned a number of times, on the basis that he will

move up to the vice-presidency and Abu Ghazzalah will be appointed prime minister. Also, the name of Yusuf Sabri Abu Talib, presently the governor of Cairo, has been mentioned. He was Abu Ghazzalah's commander when he was appointed artillery commander in the Egyptian army. But Abu Talib's name has not lasted long as candidate for the vice-presidency. In addition, the name of Mansur Hasan has been mentioned. He was formerly minister of culture and is the sole civilian among the candidates.

The Constant Candidate

Field Marshal Abu Ghazzalah is the only one who is still in the area, and he is one of the most controversial characters in Egypt. The questions that are frequently mentioned around him and about him and about his position in the Egyptian power structure are: Is he the next vice-president? What is the extent of his power and whence is it derived, from the army, from his relationship with President Mubarak or from one of the counterbalancing parties within the Egyptian system of government? Rumors and news about the field marshal have become numerous. His appearance on the political scene has been most similar to a curve, rising sometimes to reach a peak and then falling again.

Field Marshal Abu Ghazzalah, 56 years of age, had his star rise rapidly in the Egyptian political sky, and he has been able to give the impression, on many occasions, of being the second man in Egypt. He belongs to a wealthy family from a village named "Qabar al-Umra'" in the governorate of al-Buhayrah, in the north of Egypt, near Alexandria. One who knows him says that the military profession was not his idea, but that he had desired to become an engineer. He was ranked 10th in the certificate of completion of studies in the Kingdom of Egypt, so he qualified to enter the war college.

Abu Ghazzalah's military talent became evident in the field of artillery. He read about its history from the beginning of use of the catapult and he translated a series of books about artillery, authoring books for military instruction in artillery when he was a captain. He has written 27 books.

Abu Ghazzalah's relationship with al-Sadat began in 1974. A decision had been made to retire him to a pension, that is, to end his service in the armed forces. 'Ifat al-Sadat, Anwar al-Sadat's brother, who was an officer in the armed forces, learned about this and related it to his brother, who summoned Abu Ghazzalah, met with him, and then decided to appoint him to be chief of staff of the artillery. He later chose him to be the director of the military intelligence services, but he did not want the post.

One of the basic and controversial posts in Abu Ghazzalah's career is the period which he concluded as military attache in the Egyptian embassy in the United States, during which time he received an honorary diploma from the American war college, becoming the first non-American to receive such a diploma. After this he returned to Egypt in 1980 and was appointed

chief of staff of the armed forces and was promoted to the rank of lietenant general. He was then appointed to the post of minister of defense, succeeding Field Marshal Ahmad Badawi, who was one of the 13 military officers who died in the crash of the plane that was transporting them, in March 1981.

No minister of defense in Egypt has been subject to such criticism from the opposition as has Abu Ghazzalah. The fundamental point of criticism is embodied in Abu Ghazzalah's idea on the form and level of relations with the United States. When the newspaper AL-AHRAM presented him as minister of defense, in March 1981, it said about him, "Abu Ghazzalah thinks that it is in Egypt's interest to give military facilities to the United States alone, as protection for the region against the Soviet interference that threatens it, and that dealing with America will be from a position of equals, since Egypt will never acquiesce to being subordinate to anyone." A large number of the political currents are critical of this orientation of Abu Ghazzalah. Although this idea may be understood in the light of the general orientation that prevailed during the end of al-Sadat's government, which put the Soviet danger in the forefront of the dangers threatening Egypt, the opposite of this idea is still found today with the opposition.

In Egypt, some are repeating that Field Marshal Abu Ghazzalah is "America's man in Egypt." But those who are close to Abu Ghazzalah, who have been his close associates since graduation from the war college, reply that this accusation is not true. He has mastered the art of dealing with everyone and creating successful relations, as if to say: "Let us take everything we can get from them." His defenders continue: "Abu Ghazzalah is neither America's man nor the Soviet Union's man."

After this Abu Ghazzalah was promoted to the rank of field marshal and appointed to the position of deputy prime minister, and predictions began concerning his imminent appointment to the vice-presidency. During Abu Ghazzalah's time as miniter of defense, his concern for the army became very great. The officers in the armed forces received conspicuous benefits, particularly in the area of housing. Some portray the position of Field Marshal Abu Ghazzalah in the army in terms of Field Marshal 'Abd-al-Hakim 'Amir, but some other deny this comparison, except as pertains to the strong relationship between a leader and his soldiers. Here a degree of similarity may exist between them, but otherwise it is not true.

The Army and Daily Life

It was rumored during one period that President Mubarak had offered to appoint Field Marshal Abu Ghazzalah to the vice-presidency, but that Abu Ghazzalah insisted on remaining head of the armed forces in addition to being vice-president, according to what was repeated at the time. This is the same situation as that of 'Abd-al-Hakim 'Amir. But Mubarak rejected this and the situation remains as it is. From his side, President Mubarak denies that he has offered to appoint anyone to the vice-presidency, and says that he has not yet decided whom to appoint to the position.

Whoever has been following the activity of Abu Ghazzalah since his appointment to be minister of defense has noticed that it has passed through various stages. His cheerfulness and general education have helped him, in that he is skilled in general conversation. Further, his attendance at important and international soccer games has been very influential in creating popularity for him. He was the first official to attend a sporting event dressed in sport clothes rather than his uniform. He has granted a large number of newspaper interviews, in which he has dealt with a great many issues. But a period came when he disappeared from the media scene, and at that time it was rumored that his star had begun to fade. But after a time it began to appear again. Some are talking about the disagreements that have occurred recently concerning limiting the role of the armed forces to domestic work, particularly in the area of transportation and importing food commodities. The interception of the Egyptian plane by American combat planes has also been a point of controversy, according to what is being rumored.

In recent days, talk has begun again about the imminence of Abu Ghazzalah being appointed to the vice-presidency. But the incident of the hijacking of the Egyptian airliner to Malta and the method of responding to it by use of the Egyptian strike force came along, and the brilliance of his star has dimmed a little. The connection between the former and the latter might be accurate and it might be fanciful, but in the end they cannot be ignored. From here, the vice-presidency is still vacant, waiting for someone to fill it, and the recent book by Abu Ghazzalah, entitled "Memoirs of an Egyptian General," in which he talks about his life since his graduation from the war college, is waiting for another chapter.

12780/12276
CSO: 4504/136

AL-BAZ ON MUBARAK INITIATIVE

NC301917 Cairo MENA in Arabic 1735 GMT 30 Jan 86

[Text] Bonn, 30 Jan (MENA)--Dr Usamah al-Baz, Egyptian foreign ministry first under secretary and director of the President's Office for Political Affairs, has declared that the purpose of President Husni Mubarak's visit to the FRG is to brief German Chancellor Helmut Kohl and senior officials on the initiative which he announced in his speech to the Council of Europe's parliamentary assembly in Strasbourg.

Speaking at a news conference at the German Press Club in Bonn this evening, Dr al-Baz said that the president's initiative focuses on the importance of the European role and the need for Europe to take an active part in the search for a peaceful solution to the problems of the Middle East. He added that this would not conflict with the roles which other countries, such as the United States, are playing.

Dr al-Baz said that President Mubarak's initiative aims at urging European and non-European states to try to break the deadlock so that progress may be achieved.

He added: We must restore hope to the moderate forces in the area; we must reassure them that it is possible to achieve peace, and that it is better to risk peace than to risk war.

Dr al-Baz said that the involvement of more European and international parties will help to get the peace process going again and make peace a reality. He affirmed that a European role would not conflict with the role of the United States or any other state.

Dr Usamah al-Baz explained that President Mubarak is proposing that the Europeans should form a delegation representing the European community. This delegation would have discussions with the parties concerned with the Middle East conflict and approach Jordan, the PLO, Israel, Egypt, and other states in the region.

He went on to say that the problems have now been defined and all parties are in a position to enunciate their views. Arrangements for an international conference could be drawn up, and its terms of reference specified. The European community could play an important part in suggesting ways in which the Palestinians could be represented at the conference, and in overcoming the differences in this respect. He pointed to the importance of positive action. He said: We must not expect miracles to happen.

Dr al-Baz declared that these contacts should not be confined to the European states. The United States, the Soviet Union, and member states of the UN Security Council should also consult with the parties to the conflict, with a view to exploring every possibility of bridging the gap between those concerned, so that an international conference may be convened.

Dr al-Baz explained that we could easily act as coordinator in this process. We could open parallel and similar channels, with the aim of convening an international conference to solve the Palestinian-Israeli problem and reaching agreement on ending the state of war and enmity between the Arabs and Israel. Such an agreement, Dr al-Baz noted, could be extended to include other states, such as Syria.

Dr al-Baz stressed that the European role should not be confined to the issuing of statements. It has become necessary to translate theory into practice, to take dynamic action that can influence the course of events. The European states can help to bridge the gap between the Arab and Israeli positions.

He said that the gap between the two sides is still wide despite all that has been said about progress in the past few months. If we stop and wait for this gap to get narrower, it might widen instead, and another opportunity for peace will be lost.

Dr al-Baz warned that a situation of stalemate and an accumulation of problems could create fertile ground for terrorism and could encourage terrorist elements among both Arabs and Israelis. This could plunge the region into a state of blazing hostility. All peace-loving people should try to avert this danger.

Speaking about President Mubarak's visit to France, Al-Baz said that President Mubarak met with President Mitterrand and other high-ranking officials and briefed them on the Egyptian initiative. The French had welcomed and shown understanding for the Egyptian stand.

He added that the French Government had promised to study these ideas with its European partners. He expressed the hope that the Egyptian initiative would be received attentively by the European states. He expected them to reply individually and collectively in the next few weeks.

Answering a question on the Israeli attitude toward the Egyptian initiative, Dr al-Baz said: We do not expect a unified Israeli response because Israel is divided into opposing political trends. We believe that the positive and moderate forces in Israel, which are eager for peace between the Arabs and Israelis, will accept this initiative because they have no reason to reject it.

He expressed the belief that the Israeli Labor Party, which has good relations with the European states and with the Socialist International organizations, would not be opposed to the Egyptian initiative. However, the intransigent elements in Israel, which in any case reject peace with the Arab states, would be against it.

Dr al-Baz said that the intransigents in Israel do not want any progress to be achieved. They believe that a stalemate is in Israel's interests. It helps them to perpetuate the faits accomplis and their occupation of Gaza and the West Bank, to change the demographic character of these two regions, and to increase the number of settlements, which are still not heavily populated.

He added that these rejectionist and intransigent forces are using a feeble excuse, which is that any solution must come from the region itself. It is a facade intended to hide the real intentions of these extremists.

He expressed the hope that the moderates in Israel would ultimately cooperate with the initiative. [passage indistinct]

Dr al-Baz said that during his visit to the FRG President Mubarak will discuss the convening of an international conference to consider ways of combating terrorism. He will also stress the need for international cooperation in the fight against terrorism. Al-Baz declared that this issue must not [words indistinct] which is announced after every terrorist operation. Such reactions are politically biased. Sometimes they are directed against the Palestinians, and sometimes against the states of the Middle East. This is not objective.

Dr al-Baz said that terrorism is an international problem which threatens the whole international community. In order to confront it, therefore, firmer and more forceful action must be taken. We must reduce the chances of its continuing and getting worse in the future.

He praised the FRG's position, saying it has always been among those states that have taken an objective and impartial attitude toward the parties to the conflict. Thus it is well qualified to undertake a successful role in bringing the two sides closer together and ending the state of war in the region.

Asked about Libyan involvement in terrorist operations, Dr al-Baz said: We cannot accuse Libya of being behind the recent terrorist actions, because it has been proved that other states have had something to do with

certain other terrorist operations, in one way or another. It does not serve the fight against terrorism to concentrate the campaign against a single state or a single race. It then appears as if the campaign is directed against the Arabs, particular Middle East states, or the PLO, which was accused by many parties in the past of responsibility for such terrorist operations, despite the fact that the organization has repeatedly denounced terrorism and all terrorist operations.

Dr al-Baz referred in this regard to the declaration made by the PLO leaders on 7 November in which they denounced terrorism and made a distinction between it and legitimate resistance to foreign occupation. He said that people should await the conclusion of the investigation into the Rome and Vienna airport incidents, since some of those who carried out the attacks are still alive. He went on: Let us wait for the results of the investigation to find out who assisted, trained, and financed the terrorists.

He declared that the international community should avoid obscuring the issue, twisting the facts, and directing campaigns against specific states because this does not help to combat terrorism.

In response to a question on the importance of the European-Arab dialogue, al-Baz said that the usefulness of this dialogue could be greater. Regrettably, however, each side concentrates on a certain aspect of the relations between them. The Arabs believe that the Europeans are only interested in economic benefits and Arab oil, while the Europeans believe that the Arabs are only concerned with the political issues.

He called on Europe to change this situation and take a more positive attitude toward the achievement of a just and permanent solution in the region instead of resorting to evasions. The Europeans are content to issue a declaration of intent every two or three years, without making any real effort toward resolving the problems of the Middle East.

Concerning Spain's attitude toward the Arab-Israeli conflict, al-Baz said that there are historic, as well as recent, ties between the Arabs and Spain, which has a special status in the Arab world. Spain supports Arab rights and there are constant contacts and consultations between it and the Arab states.

Al-Baz added that it would be useful for Spain and for the peace process if Spain were to play a more positive role in this direction, especially in supporting the Palestinians' right to self-determination.

He explained that this right to self-determination must be coupled with the recognition of Israel's right to exist. The establishment of a Palestinian state and an Israeli state is stipulated in the UN resolution on the partition of Palestine.

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CSO: 4500/70

TURKISH DAILY INTERVIEWS FOREIGN MINISTER ON CYPRUS

TA142104 (Clandestine) Bayrak Radio in Turkish to Cyprus 2030 GMT 14 Jan 86

[Text] Egyptian Foreign Minister 'Ismat 'Abd al-Majid has said that Egypt would gladly mediate for the solution of the Cyprus problem. In an interview with the TURKISH DAILY NEWS published in English in Ankara, the Egyptian foreign minister described the Cyprus problem as a sensitive issue, adding that his country supports the peace efforts initiated by the United Nations.

'Ismat 'Abd al-Majid pointed out that the Turkish-Greek dispute can be resolved through negotiations. He said that Egypt has very good relations with both Turkey and Greece and is aware of the two countries' views, but it does not want to mediate between them if it is not asked to do so.

The Egyptian foreign minister stressed that Bulgaria must heed Turkey's call and start a dialogue. The problems of the Muslim Turkish minority in Bulgaria can be solved only through a dialogue, he said.

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CSO: 4500/70

TRIALS OF NUMAYRI ERA OFFICIALS REPORTED

Former Vice President Testifies

JN021120 Khartoum SUNA in Arabic 1035 GMT 2 Feb 86

[Text] Khartoum, 2 Feb (SUNA)--The committee investigating corruption and torture in the dissolved state security organ yesterday heard the testimony of 'Umar al-Tayyib, former vice president, and Mustafa Nuri, former regional director of railways. The complaints were made against them by a number of Sudanese Airlines employees who were accused of attempting to assassinate the deposed president during the defunct regime and who were subsequently pensioned off in the public interest. The committee will continue its investigation into these complaints.

Falasha Court Clears Defendants

JN221549 Khartoum SUNA in Arabic 1455 GMT 22 Jan 86

[Excerpt] Khartoum, 22 Jan (SUNA)--The state security court trying defendants in connection with the transportation of the Falasha Jews to Ethiopia today cleared four defendants of charges because they met certain conditions demanded by the Prosecution. The four defendants appeared at court as witnesses. Judge 'Abd-al-Rahman 'Abduh, president of the court, said that the court issued the verdict after listening to statements which persuaded the court that the four defendants have met the required conditions represented by their refraining from hiding any secrets or from misleading the court. In addition, they divulged all the information they had to the court. Therefore, the court decided to clear them of their charges. The four defendants are: second defendant Colonel al-Fatih Muhammad Ahmad 'Urwah, third defendant Colonel Musa Isma'il, fourth defendant Lieutenant Colonel Daniel Deng, and fifth defendant Major Muhammad Fu'ad Bandar.

Retired Colonel Released

JN131741 Khartoum SUNA in Arabic 1716 GMT 13 Jan 86

[Excerpts] Khartoum, 13 Jan (SUNA)--The defendant retired Colonel Mustafa Muhammad 'Ali, an official of the economics department of the dissolved State Security Organization, has been released on 150,000 Sudanese pounds' bail.

It is noteworthy that the defendant was being tried as a first defendant side by side with 'Umar Muhammad al-Tayyib, the first vice president of the defunct regime, on charges of threatening and violating the law in order to harm or protect some persons from certain punishment as well as abusing his authority.

Former Integration Chief Released

NC111128 Cairo MENA in Arabic 0950 GMT 11 Jan 86

[Text] Khartoum, 11 Jan (MENA)--It was learned here today that Abu-Bakr 'Uthman Salih, secretary general of the Higher Integration Council, has been released for lack of evidence. He had been arrested last August as part of a crackdown on senior aides of former President Ja'far Numayri. Salih had agreed to serve as the secretary general of the Egyptian-Sudanese Higher Integration Council in 1983.

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CSO: 4500/72

SUDAN

SUNA REPORTS PRC-SUDANESE JOINT COMMUNIQUE

JN231006 Khartoum SUNA in English 0909 GMT 23 Jan 86

[Text] Khartoum, 23 Jan (SUNA)--Sudan and the People's Republic of China have issued a joint press communique on the outcome of the visit paid recently to China by TMC Member Muhammad Tawfiq Khalil and delegation.

Hereunder is a summary of the communique:

Upon an invitation from the Chinese Government, H.E. General Muhammad Tawfiq Khalil, member of the Transitional Military Council and chief of staff of the People's Armed Forces in the Republic of the Sudan, headed a Sudanese high-level delegation on an official visit to the People's Republic of China during the period from 11-19 January 1986. The delegation included H.E. Major General Hamadah 'Abd-al-'Azim Hamadah member of Cooperation and Supply, H.E. the Minister of Construction and Housing, H.E. the Undersecretary of the Ministry of Foreign Affairs and other high-ranking officials.

H.E. General Muhammad Tawfiq Khalil met during this visit Vice President Ulanhu and premier of the State Council Zhaq Ziyang, and the General Chief of Staff Yang Dezhi, and conducted talks with vice premier of the State Council Lian Jiyun.

The concerned officials from both sides have also conducted group talks. The meetings and discussions have taken place in a sincere and friendly atmosphere. Besides, H.E. General Muhammad Tawfiq Khalil and the accompanying delegation toured Beijing and Xiamen and Guangzhou. The Sudanese high-level delegation during their stay in China were awarded a warm welcome and reception by the Government of China and its people, which greatly reflects the sentiments of the deep and traditional friendship existing between the two countries.

Both sides noted with satisfaction that China and Sudan share common and similar views on the current world situation and towards a great number of important international issues.

The Sudanese side briefed the Chinese side on the internal situation in Sudan and its internal and foreign policies.

The Chinese side stated its high appreciation for the adopted Sudanese Government independent policy and non-alignment and good neighbourliness and its endeavors

to safeguard the solidarity of the Arab people and its support to the people of Palestine and the people of Southern Africa and the people of Namibia in their just struggle, and also its strenuous efforts to overcome drought and relief its victims and rehabilitate and develop the national economy and safeguard national unity.

The Sudanese side highly praised the great achievements of the Chinese people in construction and modernization. Both sides expressed their satisfaction on the continuously developing sincere relations of cooperation between the two countries based on the five principles of peaceful co-existence, and both sides agreed that to continue enhancing and developing these relations does not only conform with the interest of both peoples but also helps the cause of solidarity and cooperation between the countries and peoples of the Third World.

Both sides affirmed the importance of exerting mutual efforts to further promote the friendly relations of cooperation between the two countries in all political, economic and cultural fields to a new level of development.

The trade protocol for 1986 between the two countries, and the agreement on the formation of a Sino-Sudanese joint committee for economic and trade cooperation, and the minutes of discussions on cultural and educational cooperation between the two countries were signed in Beijing.

During the visit H.E. General Muhammad Tawfiq Khalil handed a message for President Li Xiannian from H.E. General 'Abd al-Rahman Hasan Siwar al-Dhahab Chairman of the Transitional Military Council H.E. General Tawfiq Khalil, also, extended an invitation to the vice premier of the State Council Tian Jiyun to visit the Sudan. And the vice premier of the State Council Tian Jiyun accepted, with pleasure, the invitation and its date will be fixed by consultation through diplomatic channel.

H.E. General Muhammad Tawfiq Khalil expressed the heartfelt thanks for the warm welcome and profound reception accorded to him personally and the members of delegation during their visit to China.

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CSO: 4500/72

SUDAN

SIWAR-AL-DHAHAB DISCUSSES VARIOUS ISSUES

GF280612 Khartoum SUNA in Arabic 1725 GMT 26 Jan 86

[Text] Khartoum, 26 Jan (SUNA)--Lieutenant General Siwar-al-Dhahab, chairman of the Transitional Military Council, has stressed that there is nothing that prevents John Garang from sitting at the negotiating table if he sincerely intends to solve differences and as long as the two sides believe [words indistinct] of the country.

During a meeting with a delegation representing foreign journalists of eastern Africa, Gen Siwar-al-Dhahab expressed his belief that Garang receives aid from foreign sides. He added that he does not believe that Garang curtailed his activities and that he cannot depart Addis Ababa. He expressed his satisfaction with the efforts continuously exerted by the government to confer with Garang. Siwar-al-Dhahab pointed out that [words indistinct] the issue of Garang during his recent meeting with Ethiopian leader Mengistu in [word indistinct] and that it was agreed to form a senior technical committee to exchange (?views) on policies to solve the issue.

On the position of the Sudanese Government toward the Eritrean liberation movements, Siwar-al-Dhahab denied that any of these movements carry out activities from within Sudanese territories or that they are allowed to practice political activities from Sudan. He stressed that this has been the policy in the past and will be so in the future.

Answering a journalist's question, Lt Gen Siwar-al-Dhahab said that the armed forces are concerned about the unity of the homeland's soil and that any government could use the army to achieve this purpose. He said that the army adheres to the democratic system and that he does not see any possibility of establishing a military government. He affirmed that the future, following the April experience. He affirmed that the army will return to its barracks after the end of the transitional period.

He said that the armed forces, which were concerned about the country's unity, noticed in recent years that the ousted Numayri regime lacked popular support and that those forces abided by the masses during the days of the uprising.

About his view on the length of the transitional period, Siwar-al-Dhahab said that the period was not fixed by the army but it was fixed by the grouping. He expressed his belief that if the transitional period continues for more than 1 year, it will give other parties, particularly parties in the south, more time to prepare for elections. He said that (?some) parties in the south believe

that if the constitutional conference convenes before the end of the transitional period, it will help to ensure more effective elections.

Answering another question, he said even if one of the parties wins a majority during the upcoming elections, the formation of a coalition government would be better for the country.

He said that a large number of the 49 parties will fail after the elections, since most of them will not have enough support to continue.

Lt Gen Siwar-al-Dhahab affirmed that the problem of drought and desertification cannot be overcome in 1 year and that some areas are still in need of international aid to feed their people because their crops are not sufficient to meet the people's needs until the next harvest.

Lt Gen Siwar-al-Dhahab noted that the problem of refugees from neighboring countries has aggravated the situation. However, Sudan, with its open-door policy, has allowed the refugees to share its limited resources and has not turned them back.

Siwar-al-Dhahab said that the refugees in some areas receive services better than those rendered to the Sudanese people. He indicated that Sudan is (?now in need) of financial aid to buy food from areas which have more than enough food to be given to stricken areas. He said Sudan does not need token or unnecessary aid. Moreover, this will give incentive to farmers to plant crops next year if they receive returns for this year's production. He said [words indistinct] experience in economic problems [words indistinct] and will not be able to buy the necessary food for areas which will be affected by food shortage because of its limited resources.

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CSO: 4500/72

SPLA OPERATIONS IN SOUTH REPORTED

Recent Military Successes

EA101128 (Clandestine) Radio of the Sudanese People's Liberation Army in English 1300 GMT 9 Jan 86

[Excerpts] Siwar al-Dhahab's militia commander, Lieutenant-Colonel (?Thomas Chuot), and 10 other government militia were killed and many others were wounded in a battle with the SPLA forces in Upper Nile. According to a radio SPLA correspondent in Upper Nile, Lt Col (?Thomas Chuot) was shot dead by an SPLA sergeant, who values his duty more than his rank. In this regard, an SPLA sergeant is much more important than a lieutenant colonel in Siwar-al-Dhahab's army or militia.

A combined SPLA force of (Quoriom) has inflicted heavy casualties on the government forces in Bariang. According to a radio SPLA correspondent accompanying (Quoriom), the SPLA forces raided Bariang town and destroyed it completely.

In another development, SPLA forces under the command of Major Michael (Makol) fought and defeated Siwar al-Dhahab's militia forces at Adong. Our correspondent said that Siwar al-Dhahab's militia had gone to Adong to carry out some looting. The enemy lost eight militia and several others were wounded. The operation was commanded by Lt (Gatkuoth Or). Furthermore, Siwar al-Dhahab's forces suffered heavy casualties in Rumbek. According to our correspondent in the area, an SPLA task force conducted a successful ambush under the command of Lt Moses (Kaman Ater). Eleven government troops were killed and 7 were wounded.

Government Troops Killed

EA271721 (Clandestine) Radio of the Sudanese People's Liberation Army in English 1300 GMT 27 Jan 86

[Excerpt] Over 82 government soldiers were killed and many others wounded in a battle with SPLA [Sudanese People's Liberation Army] units of Wolf battalion at (Dina) around Bentiu area [western Upper Nile] on 20 January 1986. A correspondent for Radio SPLA said that the government force has a detachment from Battalion 25 commanded by Colonel Muhammad 'Abd-al-Qadir. They were returning from Kadugli, Southern Kordofan, where they have been committing atrocities against the civilian population during the past few weeks. The correspondent said that the enemy was engaged for 2 hours after which (?they) were defeated. The remaining enemy soldiers were reported to have escaped to their garrison at (Bariang).

Heavy Fighting Reported

EA231435 (Clandestine) Radio of the Sudanese People's Liberation Army in English 1300 GMT 23 Jan 86

[Excerpts] Heavy fighting broke out between the Sudanese People's Liberation Army [SPLA] forces of Abu Shawk battalion and Siwar-al-Dhahab's troops at (Fama) about 2 miles north of Malakal on 16 January 1986.

According to our correspondent accompanying Abu Shawk task force, one captain in Siwar-al-Dhahab's army and 42 soldiers were killed and two others were wounded in a battle that lasted for 6 hours. One Magirus car was destroyed and one aeroplane identified as belonging to the High Executive Council narrowly escaped after being missed by an anti-aircraft gun.

Correspondents for Radio SPLA in Malakal said that the government forces were trying to open the route to the north in an attempt to launch an attack on SPLA forces. After their defeat the remnants of Siwar-al-Dhahab's forces ran in disarray back to Malakal.

Garang's Forces, South Reports

JN231838 Khartoum SUNA in Arabic 1735 GMT 23 Jan 86

[Text] Khartoum, 23 Jan (SUNA)--Major General 'Uthman 'Abdallah, Transitional Military Council member and defense minister, has affirmed that John Garang's forces, the Sudanese People's Liberation Army, have not reached the Torit area in the Equatoria Region. He added that what happened there recently was an armed looting operation in eastern Equatoria and that this operation was not related to organized military operations carried out by Garang's forces. He added that the Equatoria Region is completely secure except the eastern part of Kapoeta, which contained a camp belonging to the outlaws that was recently destroyed by the armed forces.

The defense minister denied that the Laes Province in the south was besieged by Garang's forces. He said that Garang's forces committed a massacre in the city of Yirol. Garang's forces are now operating around Rumbek and from time to time they attack the armed forces there.

The defense minister reiterated that it is possible to conduct elections in 75 percent of the southern region unless new developments take place in the remaining time of the transitional period before the elections.

'Abdalla said that the official military reports on the situation in the south are more accurate than the reports made by those people who come from there. He added that the national committee for elections will find out the soundness of his words in the next few days when it visits the south.

Two Southeast Towns Captured

EA241736 (Clandestine) Radio of the Sudanese People's Liberation Army in English 1300 GMT 24 Jan 86

[Excerpts] Sudanese People's Liberation Army [SPLA] forces operating in the Equatoria administrative area have captured the towns of (Equatus) and (?Lotuke) and they overran the government army location in the (Katipo) area. Radio SPLA correspondent in the area has disclosed that SPLA troops took over the town of (Equatus) after launching a successful attack on the government forces on 10 January 1986. Meanwhile, the town of (?Lotuka) fell under the SPLA on 12 January 1986, 2 days following the capture of (Equatus). The two towns of (Equatus) and (?Lotuke) lie between Torit and Kapoeta in eastern [words indistinct] of eastern Equatoria.

According to our correspondent Siwar-al-Dhahab's forces had earlier burned down the villages of Lobirj and (Ilome) in Torit district before they were attacked by the SPLA.

In another development SPLA forces in the area have ambushed an enemy reinforcement on its way to Kapoeta and inflicted heavy casualties. Thirteen government soldiers were killed. One APC and one Austin Lorry were destroyed. Only five of the government soldiers who jumped out of the destroyed APC managed to escape and survive.

SPLA Reportedly Captures Airstrip

EA241738 (Clandestine) Radio of the Sudanese People's Liberation Army in English 1300 GMT 24 Jan 86

[Excerpt] Reports reaching Radio SPLA [Sudanese People's Liberation Army] from Rumbek have said that SPLA forces of Twik-Twik Battalion have shelled Rumbek town for three consequtive days; on 13, 14, and 15 January 1986.

According to our correspondent accompanying Twik-Twik Battalion, the shelling resulted in the total destruction of the enemy installations and water tank. Our correspondent further said that the enemy has suffered heavy casualties in men and material.

According to our correspondent the SPLA forces have taken control of the airstrip in Rumbek and have installed their antiaircraft guns at the airstrip in anticipation of an air attack from the enemy.

Government Positions Shelled

EA241749 (Clandestine) Radio of the Sudanese People's Liberation Army in English 1300 GMT 24 Jan 86

[Excerpts] Government positions at (Jegu) came under heavy bombardment by the SPLA [Sudanese People's Liberation Army] on 14 January 1986. According to our correspondent accompanying Jamus Battalion, the enemy suffered heavy casualties

in men and material. Three enemy trenches were destroyed during the shelling. Three government soldiers were killed by antipersonnel mines, which our correspondent said have been laid all around (Jegu).

Fighting Near Ethiopian Border

LD251656 (Clandestine) Radio of the Sudanese People's Liberation Army in English 1300 GMT 25 Jan 86

[Text] Radio SPLA had learned that SPLA forces stationed around Akobo in Upper Nile administrative area clashed on 21 January 1986 with Siwar-al-Dhahab troops in the vicinity of Akobo. According to our correspondent the enemy force was advancing from Waat towards Akobo in an attempt to reinforce the besieged government garrison at Akobo when it was intercepted by SPLA forces.

In the engagement the enemy was hurled back and two of its APC and two Nagirus trucks were destroyed. Two laden with food supplies and medicine for the starving government troops at Akobo were also demolished [as heard]. Our correspondent has added that the fighting was still going on.

Pro-Garang Elements Arrested

GF261523 Abu Dhabi AL-ITTIHAD in Arabic 26 Jan 86 p 3

[Text] Khartoum--In a statement to AL-ITTIHAD, Brigadier General Faris 'Abdallah Husni, member of the Transitional Military Council in Sudan and director of the military intelligence administration, said that 40 people from the Dinka and Nuba tribes in al-Rank region in southern Sudan have been arrested while on their way to join the forces of dissident Colonel John Garang. He added that the confessions of these elements demonstrate that there is a person called Clement currently outside the country who is the middleman between them and John Garang.

/8309
CSO: 4500/72

SUDAN

SIWAR-AL-DHAHAB ON ELECTIONS, REBELS, ISLAMIC LAWS

JN311507 Khartoum SUNA in Arabic 1443 GMT 11 Jan 86

[Text] Khartoum, 11 Jan (SUNA)--Transitional Military Council Chairman General Siwar-al-Dhahab has affirmed that the transitional government will not allow any side to hamper the election which will be held in April to elect a constituent assembly as a step toward restoring full democracy in Sudan after 16 years of fascist military rule.

In a statement to the newspaper AL-RAYAH, organ of the Islamic Front, Siwar-al-Dhahab said that the issue of security is of vital interest in the present stage. He also disclosed that the rebels in the southern part of the country are continuing to escalate their military operations as a result of foreign aid, stressing the transitional authority's concern about entrenching security throughout the country.

Siwar-al-Dhahab also urged the political parties to agree among themselves on keeping the Armed Forces neutral. Regarding the Islamic laws, he said that the constituent assembly to be elected by the people is the best side that can determine this issue.

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CSO: 4500/72

LIFE RETURNS TO NORMAL AFTER RIOTS IN AL-UBAYYID

Life Returns to Normal

JN391444 Khartoum SUNA in Arabic 1424 GMT 19 Jan 86

[Text] Khartoum, 19 Jan (SUNA)--Life has returned to normal and security has been restored in the city of Al-Ubayyid following the recent riots in the city. This was announced by Major General Mustafa Mahmud, the military governor of the Kordofan Region, who arrived here last night. His excellency explained that the 15-day strike staged by teachers in the region would be lifted and that study in all schools in the region would be resumed. These decisions were taken following a meeting in Al-Ubayyid of the region's governor, Interior Minister General 'Abbad Madani, and representatives of the national alliance on one hand and the teachers trade union and officials in both the judiciary and regular forces on the other.

Official Leaves for Kordofan

JN391106 Khartoum SUNA in Arabic 1035 GMT 19 Jan 86

[Text] Khartoum, 19 Jan (SUNA)--Interior Minister General 'Abbas Madani left for Al-'Ubayyid, in Kordofan Region, yesterday on a fact-finding visit and in order to tackle the crisis that erupted there last week amid press reports that the situation in the city remains tense. The reports said that the president of the national alliance in Al-'Ubayyid sent a cable to Khartoum suggesting that the Transitional Council chairman or prime minister go to the city to deal with the situation. It has been rumored that policemen in the city are facing a dilemma and that the armed forces are conducting security patrols.

Riots erupted in Al-'Ubayyid in a number of secondary schools in which a number of citizens took part and as a result of which one person died and 70 policemen and citizens were injured. In a statement to AL-MAYDAN newspaper, organ of the Sudanese Communist Party, published this morning, the interior minister said that the police had to open fire when demonstrators attacked a police station west of the city, set fire to a compound full of straw near the police station, and attacked police barracks.

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CSO: 4500/72

SUDAN

SUNA REPORTS JIMMY CARTER'S KHARTOUM NEWS CONFERENCE

JN231124 Khartoum SUNA in English 1048 GMT 23 Jan 86

[Text] Khartoum, 23 Jan (SUNA)--Former U.S. President Jimmy Carter today commended the political change in Sudan and its subsequent results including the respect of the human rights and anchoring of the principles of democratic rule in the country.

Carter in a press conference he held here today at the end of his 24-hour visit to Sudan mentioned the huge potentialities that Sudan possesses which will help in implementing the green revolution programme.

Carter visited Sudan in the framework of a tour to some African countries for the implementation of the green revolution programme which will cover drought stricken areas in these African states.

Asked by SUNA about the American allegation over the presence of terrorists in Sudan Carter said he had not personally felt any danger during his stay in Khartoum.

About politicking his trip to Sudan by meeting the leader of the Sudanese Ummah Party Al-Sadiq al-Mahdi Carter said he had been invited by Mr. al-Mahdi and he could not reject the invitation. Carter yesterday made a courtesy call on Mr. al-Mahdi's residence.

"The meeting is not an interference in the Sudanese politics or it is not an election campaign for anyone," he explained.

Asked to what extent he was satisfied with the Camp David accords eight years after its signing, Carter [word indistinct] that he was not thoroughly satisfied but expressed his hopes that the Israelis, the Jordanians and the Palestinians would meet under the American mediation to give a momentum for the peace process.

Asked about the credibility of the American humanitarian aid to Sudan in the shadow of the airlifting of the Falasha Jews to Israel Carter replied that he came to Sudan to discuss aiding the Sudanese farmers but at the same time he expressed his personal idea that the airlifting of the Falashas in itself had been a humane cause that its results is the freeing and settling of those refugees.

"The Falasha airlifting is a political issue that anyone has [his] own idea about," he concluded.

However, Carter expressed his pleasure over Sudan's hosting of refugees from the neighboring countries.

At the end of the conference the Japanese businessman (Ryoichi Sasakwa) underlined the green revolution project in Africa and voiced his idea that Sudan will be the food basket of the world if the efforts of the government and people were rallied together.

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CSO: 4500/72

SUDAN

SUNA REPORTS CP'S LEADER'S REMARKS TO REPORTERS

JN231009 Khartoum SUNA in English 0933 GMT 23 Jan 86

[Text] Khartoum, 23 Jan (SUNA)--Muhammad Ibrahim Nuqud, leader of the Sudanese Communist Party has said his party has reasonable opportunities to win some seats in the forthcoming general elections.

In a press conference Nuqud held here yesterday with the delegation of the Society of Foreign Journalists in East Africa, he said he saw a role for the private sector in development but in the context of a governmental plan.

As for foreign investment, Nuqud said range of participation and areas of investments had to be controlled.

He said negotiations with the IMF should center on its condition because Sudan gained nothing from the policies that had been recommended by the fund and applied by the former regime.

He said the fund also suffered from those policies because of the accumulating debts on Sudan.

The fund must adopt a plan that helps promote the Sudanese economy, he said.

Nuqud ruled out the possibility of reaching an agreement with the Sudan People's Liberation Movement during the remainder of the interim period.

He said any elected government that comes after next April will find a better opportunity to negotiate with Garang.

The Sudanese Communist Party has said it will contest in the forthcoming general elections but will not enter alliance with the political parties.

A progressive front comprising nine leftist political grouping was formed recently but it did not include the Communist Party led by Mr. Nuqud.

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CSO: 4500/72

SUDAN

FINANCE MINISTER VIEWS ECONOMIC SITUATION

JN301206 Khartoum SUNA in English 1036 GMT 30 Jan 86

[Text] Khartoum, 30 Jan (SUNA)--All indications show more deterioration in the economic process, said finance and economic planning minister in a report to the cabinet yesterday on the outcome of the negotiations carried out recently with an International Monetary Fund [IMF] delegation, presented before the cabinet in its yesterday's ordinary session. The financial gap increased from 140 million to L.S. 219 million, the indebtedness from the banking system augmented from L.S. 200 million to L.S. 285 million and exportation is facing difficulties, elaborated finance minister.

The minister affirmed in press statements after the cabinet meeting that the deterioration in the economic process resulted in a rising in the economic process inflation rates and commodities prices. It is essential to reconsider the country's economic situation, stated the minister. He emphasized that local and foreign commerce should be reorganized. Procedures should be adopted to rule the foreign currency influx and backing [for the] exporting sector.

The minister presented a number of recommendations aiming at ameliorating the economic situation and halting of hiking prices. The establishment of supply administrations in each region, importation of commodities by public companies sector, the distribution of basic commodities by cards, and the control and confiscation of banned imported goods, proposed the minister, are the best ways for the economic procedures.

/8309
CSO: 4500/72

SUDAN

SPLA RADIO COMMENTS ON NEW GROUP'S POLITICAL VIEWS

EA132208 (Clandestine) Radio of the Sudanese People's Liberation Army in English 1300 GMT 13 Jan 86

[Text] The Solidarity of the Forces of Sudan's Rural Areas, a broad political grouping comprising 13 different political organizations, has issued a political declaration in which it expressed its views on a number of current political issues in Sudan. The group, among other things, stressed the importance of holding elections in conditions of peace and stability so that freedom of movement, honesty and fairness besides the participation of the majority of the masses in the electoral process could be attained. The Solidarity of the Forces of Sudan's Rural Areas has said that partial elections would mean an incomplete mandate and that should such elections be held the elected assembly could not be considered as representative of the whole nation.

The official spokesman for the SPLA-SPLM [Sudanese People's Liberation Army-Sudanese People's Liberation Movement] has commented, saying that the position taken by the group reflects the current climate of political opinion in Sudan which he said heavily tilted in favor of serious political discussions of the fundamental problems facing the country. The spokesman, however, added that the Transitional Military Council was bent on frustrating all efforts towards genuine and meaningful discussions.

/8309
CSO: 4500/72

BRIEFS

LIBYAN FOOD AID--Khartoum, 10 Jan (SUNA)--The country in February will receive 15,000 tons of wheat as the first consignment of food aid provided by the Socialist People's Libyan Arab Jamahiriyah for the Sudan. The total amount will be 100,000 tons. Mr Umar al-Mubarak, the undersecretary of the Ministry of Commerce, Cooperation and Supply, told SUNA that the rest of the aid will arrive in the country in the course of the next 6 months. The aid was awarded to Sudan by Major 'Abd-al-Salam Jallud during his visit to the country last May. The aid agreement between the two fraternal countries was recently signed when a Sudanese ministerial delegation paid a visit to the Libyan Jamahiriyah. [Text] [Khartoum SUNA in Arabic 1430 GMT 10 Jan 86] /8309

STRIKE SABOTAGE DENIED--Khartoum, 15 Jan (SUNA)--Chairman of the Telecommunications Corporation's workers and secretary of the Technical Engineers Trade Union at the corporation Muhammad Hasan Khalil has categorically denied that his trade-union's members had sabotaged or disfunctioned any apparatus when they staged their strike. In a statement here today Khalil said suits should be filed against the should be taken. [as received] The technical engineers trade union has started a one week strike as from the beginning of last Monday. Universities graduate engineers who are not striking with the technicians had complained that technicians have malfunctioned some apparatus before going into their strike. [Text][Khartoum SUNA in English 1722 GMT 15 Jan 86] /8309

UNAUTHORIZED PLANE LANDING DENIED--Khartoum, 16 Jan (SUNA)--Interior Minister Police Gen 'Abbas Madani denied circulating reports which said that an unidentified airplane had made an unauthorized landing in Khartoum airport while the airport staff is striking. He further explained to AL-SAHAFAH daily issued here today that the airplane landed here last Tuesday [7 January] was a Libyan airliner carrying a delegation which is invited to participate in the Arab People's Conference currently holding sessions in Khartoum. The airplane has landed on its responsibility due to the stoppage of the navigation in the airport because of the strike staged by the technical engineers elaborated Madani. It is to be recalled that Khartoum airport director had announced that foreign airlines can use Khartoum airport but should put in consideration that apparatus assisting for landing are out of work due to the technical engineers' strike. [Text] [Khartoum SUNA in English 1020 GMT 16 Jan 86] /8309

AIRLINE PILOTS END STRIKE--Khartoum, 16 Jan (SUNA)--Sudanair pilots on strike since last week, will resume work as from this morning. A memorandum sent by the pilots union to the chairman of the committee in charge of assessing Sudanair's assets, liabilities and administration said the strike had been lifted in response to and appeal made by the National Alliance for the Salvation of the Country. [Text] [Khartoum SUNA in English 0950 GMT 16 Jan 86] /8309

NEW FRONT FORMED--Khartoum, 20 Jan (SUNA)--The formation of the National Progressive Front [al-Jabhah al-Wataniyah al-Taqaddumiyah] was announced here yesterday. The Front comprises seven parties and organizations which have agreed on a program representing the minimum level of what has been agreed upon by these parties. This came in a press conference yesterday which was attended by the leaders of the Arab Socialist Ba'th Party-Sudan Organization, the Sudanese Communist Party, and the alliance of the national, democratic, socialist, and Arab Nasirite forces. [Excerpt] [Khartoum SUNA in Arabic 1020 GMT 20 Jan 86] /8309

JOURNALISTS ADDRESSED ON REFUGEES--Khartoum, 23 Jan (SUNA)--The refugees number has so far reached 1.3 million "about 18 percent of the whole population" a matter which has negative impact on Sudan economy, refugees commissioner Hasan 'Atiyah said. Speaking to a visiting delegation of the Association of Foreign Journalists in East Africa, 'Atiyah said that refugees were occupying vast arable land as well as hindering transport, health and education services particularly those who fled their camps. "Despite those problems Sudan will continue hosting refugees in compliance with its commitment to international conventions in this regard," he said. He denied any benefits nationals have obtained from services planned to refugees. The refugees include Ethiopian, Chadian, Ugandan and Zairean nationals. [Text] [Khartoum SUNA in English 0925 GMT 23 Jan 86] /8309

NUMAYRI ASYLUM--Khartoum, 25 Jan (SUNA)--The Sudanese Bar Association today officially delegated the Egyptian Bar Association to carry on before the Egyptian courts, the suit raised for cancelling the Egyptian Government's decision to grant ousted President Numayri the political asylum. In a statement to the daily AL-SAHAFAH issued today the chairman of the Sudanese Bar Association Mirghani al-Nasir explained that the file which had been delivered to the Egyptian Bar Association Chairman Ahmad al-Khawajah had comprised crimes committed by Numayri against the Sudanese people and the Arab nation. [Text] [Khartoum SUNA in English 0930 GMT 25 Jan 86] /8309

COMMISSION ON RETURNEES FROM ETHIOPIA--Khartoum, 27 Jan (SUNA)--Staff Brigadier General 'Uthman Sharif, head of the national commission for receiving the Sudanese returnees from Ethiopia, today said that the commission ended its work and will submit its final report to the prime minister in the next 2 days. He explained that 838 persons have returned, adding that they represent the Sudanese Popular Resistance Front, the Sudanese revolutionary forces, and the revolutionary committees, which were working from Ethiopia against the previous regime. He said that the leaders of these groups have also returned from Europe

and Libya as well as dissidents who split from John Garang's Sudanese People's Liberation Movement. He also said that those received by the commission have no weapons, pointing out that a large quantity of weapons had reached the eastern borders of the country during the first days of the return of these groups and that these weapons had been handed over to the military areas on the border. [Text] [Khartoum SUNA in Arabic 1711 GMT 27 Jan 86] /8309

REAGAN CABLED ON 'CHALLENGER'--Khartoum, 29 Jan (SUNA)--General 'Abd al-Rahman Siwar-al-Dhahab, chairman of the Transitional Military Council, has sent a cable of condolences to President Ronald Reagan on the explosion of the U.S. space shuttle 'Challenger,' in which seven astronauts were killed. The cable says that the Sudanese Government and people received with deep sorrow the regrettable news about the explosion of the space shuttle after it was launched on its 25th trip. The cable points out that 'Challenger' is a sign of human efforts in the field of knowledge and space travel in the interest of all humanity. [Text] [Khartoum SUNA in Arabic 1438 GMT 29 Jan 86] /8309

CSO: 4500/72

TUNISIA

ITALIAN-TUNISIAN FRIENDSHIP LEAGUE ACTIVITIES RECOUNTED

Tunis AL-SABAH in Arabic 3 Dec 85 p 2

[Text] Mr Slaheddine Baly, Tunisian minister of defense and president of the Italian-Tunisian Friendship League, concluded the activities of the meeting last Saturday afternoon concerning "support of Italian -Tunisian cooperation" which was attended by Neji Skhiri, president of the Italian-Tunisian Chamber of Commerce and Industry and by Gianfranco Farinelli, the Italian ambassador in Tunis.

Mr Raehid Sfar, minister of national economy, accompanied by Mrs Fathia Mzali, minister of family and women's advancement, opened the meeting.

The participants were able to discuss ways and means to guarantee the support of commercial exchange between the two countries and cooperation between Italian and Tunisian institutions. The participants were also concerned with technology transfer and the exchange of experts in the area of the productive family unit and integrated rural development.

Mr Slaheddine Baly expressed his satisfaction with the active participation demonstrated by the Italian-Tunisian Friendship League during the meeting, asserting that the success of the meeting embodies the solidarity and friendship between Italy and Tunisia. He said, "Our league, since its founding in 1977 by the Destourian Socialist party, has striven to attain its delineated goals, including the support of friendship and rapprochement between the Tunisian and the Italian peoples.

The minister indicated his satisfaction with the spirit of commitment and cooperation which permeated the activities of the meeting, praising the Italian - Tunisian Chamber of Commerce and Industry which exerted an all-out effort for the success of the meeting's activities.

Mr Slahedden Baly recalled the words of Mr Mohammed Mzali during his reception of the participants in the meeting which carried a message of the government's desire for the advancement of Tunisians, a search for the spirit of initiative, and the search for the sense of ambition in Tunisians.

The minister pointed out the historic ties which have brought the two peoples together, and which have only been further strengthened by current events.

In this vein, he mentioned the visit to Tunisia by President Sandro Pertini during which President Habib Bourguiba, in the presence of the Italian president and the Algerian president in al-uwariyah, gave the signal to commence supplying Italy with Algerian natural gas.

He also mentioned the visit to Tunisia of Mr Bettino Craxi, the Italian prime minister, as well as the visit of Mr Mohammed Mzali to Italy, indicating that these two visits gave a decisive boost to Italian - Tunisian cooperation.

Mr Slaheddine Baly praised Bettino Craxi for his courageous positions based upon principles in which Tunisia and Italians both believe. He added that these positions are interpreted as the political desire and insistence on support of Italian - Tunisian friendship which opens the way for fruitful cooperation between the two countries and sets new horizons for future Italian and Tunisian generations to continue the joint effort.

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CSO: 4504/137

TUNISIA

BANKING LAWS UNDERGO CHANGE

London AL-HAWADITH in Arabic 20 Dec 85 p 56

[Text] Tunisian banking laws, overall, are subject to amendment and change. Modern, more flexible laws have been requested after responsible Tunisian officials realized that the laws enacted in 1976 have become outdated and do not conform to developments in the international banking sector, and they do not suit the role that Tunisia wishes to play in regional and international banking. The current goal of the official campaign for the banking laws is to attract Arab and international banks to the Tunisian market and to convert Tunisia into a regional financial center after the fashion of Bahrain and Beirut when it was at its prime.

Tunisian officials base their ideas concerning the new Tunisian role on a group of factors which pave the way for Tunisia to play a significant financial role on the southern side of the Mediterranean, including most significantly: Tunisia's location between Europe and the Middle East, proximity to principle financial markets, ease of transport and travel to and from Tunisia, relatively low operating costs for banks, and last but not least, an effective judicial system derived from the French system. If all of these attractions are insufficient to draw foreign banks, the Tunisia government is also ready to grant tax exemptions to them for a period of 10 years.

Tunisian officials believe that Tunisia is a more desirable banking location than Cyprus, which has so far been unsuccessful in drawing a respectable number of well-known international banks to its "offshore" sector, which it had created with high hopes. At the present time, four foreign banks are maintaining "offshore" banking units in Tunisia, and they are: the International Tunisian Bank, the Societe Tuniso-Seoudienne d'Investissement, the North African International Bank, and the Arab - African Bank of Tunisia. There are three other banks, including City Bank, which holds the right for the location of foreign banking units and also there is a number of Tunisian - Arab development banks. Lately, UBAF international arab bank announced a plan to open an offshore banking unit in Tunisia whose activities will include Spain, Portugal, Italy, and Malta.

The hot issue of amendments in Tunisia is not restricted to commercial banking laws but also includes development banks. A law, the first of its kind, was issued permitting development banks to accept deposits from residents, whereas

the laws of 1976 treated these banks as "offshore" banks. The legal justifications for the new law cited the services that the development banks provide to the Tunisian economy, the fact that the 1976 law forbade some concessions for these non-resident banks, and cited the need to encourage these institutions to come to Tunisia, and therefore the new law granted preferential concessions which had previously been forbidden. However, the new law established a limit for the deposits of residents which is 1 percent of the total of commercial bank deposits, with hopes of raising this percentage to 2 percent after the first 2 years of the law's existence.

The new law put an end to the problem which the societe Tuniso-Seoudienne had faced about 2 years ago after it had signed an agreement with the Tunisian government which allowed it to accept deposits from residents. This permit lead to opposition from the Tunisian Central Bank which nullified the agreement, and it refused to except any bank from the provisions of the law concerning the affairs of development banks.

Despite numerous interventions by the Societe Tuniso - Seoudienne, the Central Bank remained opposed to the agreement, with support from Habib Bourguiba, Jr, who directs one of the development banks in Tunisia, until recently when the agreement was concluded giving general permission and granting all of the development banks the right to accept deposits from residents.

It is worth indicating that Tunisia currently faces a difficult economic situation manifested in an urgent need for foreign investment. Current accounts show a deficit in excess of $760 million last year following an increase in the trade deficit to $1.4 billion resulting from an increase in the "bill" for imported food, the drop in income from phosphates and oil, and in addition, the expulsion of Tunisian workers from Libya, leading to the loss of their money transfers, which was an important resource in the foreign sector valued at $365.7 million last year. Even though the approximate amount of Tunisia's foreign debt is $3,642,900,000 not including debts for weapons purchases, this number alone represents 49 percent of gross national product.

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ISRAEL

USE OF REMOTELY PILOTED VEHICLES DESCRIBED

Tel Aviv BITA'ON HEYL HA'AVIR in Hebrew Nov 85 pp 34-35

> [Text] Far from the spotlight, RPVs and Mini-RPVs make a decisive contribution to the operations of the Air Force. Now for the first time, the scope of their secret work is revealed.

Now it can be told--Mini remotely piloted vehicles participated in the destruction of the Syrian-Soviet missile batteries.

It is an open secret that the bombing of the missile batteries was an important turning point in the history of the Air Force. "A well-played symphony," is what they said about the operation.

In this, as in all military operations, the soldier-players were anonymous, but their part was very important. Somewhere, the concert was duplicated by the mini-RPV squadron.

In fact the beginning of the war for the Remotely Piloted Vehicles Squadron was much earlier. For them the beginning was their deployment, somewhere in Israel, several days before the battles broke out. A unit of chucker RPVs, and a unit of Scout mini-RPVs spread out, wing tip to wing tip, in a small air field.

"Conditions were very difficult," Recalls Lieutenent Colonel D, who was the squadron commander. "Because we were not in a regular base, we were dependent upon food supplies. We slept, in the brief periods of time we had, in an old building very far from home."

"In the first 2 days we accompanied the ground forces with the mini-RPVs. We helped them to deploy in accordance with the (the position) of enemy forces," says Lieutenent Colonel B, who is now an officer in the Lavi project administration. "Afterwards, we patrolled along the Beirut-Damascus highway, and near the capital, and in the course of these patrols, we flew over the Biqa' along the deployment lines of the missile batteries." It seems that only somebody who actually flies these sophisticated craft can appreciate the challenges and excitement of them.

"Every discovery of a battery, every successful deciphering, caused tremendous excitement," says Lieutenent Colonel D. "No small number of battles ended successfully thanks to us. On the other hand, not a few sorties ended, to our regret, in failure because we were not in the area..."

The mini-RPV is powered by a propeller-driven piston engine. It flies at relatively low altitudes, and at a slow speed. Because of these characte ristics, it is able to fly over ground forces almost without them being aware of it.

The Scout model mini-RPV, which is used by the squadron, is produced by the Israel Aircraft Industry. Its mission-the collection of intelligence information in real time in order to obtain a picture of the battle, and in this way alter movements as closely as possible to the timetable. Because the Scout has a small engine, it is able to fly over the battlefield for a long time, and needs very little fuel. In addition to the Scout, the Squadron operates three types of RPVs: the chucker , the firebee , and the I-124.

During the Lebanon war, the I-124s carried out numerous photographic missions of which it is best not to speak. What can be said is this: they provided a flow of intelligence information of the highest quality.

On the whole, the above-mentioned aircraft are very similar to jet planes. They are equipped with a powerful jet engine, fly very fast (close to the speed of sound), and reach extremely high altitudes. Their maneuvering and performance are very similar to those of fighter planes.

"The courage of the RPV is boundless," they say in the squadron. Generally speaking, the risks which the plane "takes" are so great that even a manned plane cannot take them. One must also remember that if and when a RPV is shot down, its mission will certainly be cut short, but there will be no loss of life. And furthermore, when its presence is revealed the RPV does not set off political reverberations around the world. This distinguishes the RPV from a manned plane which violates another country's air space. During the past decade, RPV have carried out many tens of sorties in distant and dangerous places, in both peace and war.

The members of the RPV and mini-RPV squadron are drawn from flight crew personnel, pilots course graduates, and outside controllers who flew radio-controlled airplanes as children. They control the planes during periods of take off and landing.

"Because they are flying objects, the same laws of aeronautics apply to them which apply to all flying bodies," says the squadron commander, a experienced pilot. "There is no doubt that a flying background is essential in the operation of a sophisticated weapons system such as this. Only an experienced person who knows aeronautics, the theory and analysis of flying, is able to interpret the knowledge, and to operate the equipment in the best possible manner."

How, in fact, does the RPV work?

The operator makes contact with the plane from a computerized trailer. Inside the trailer are instruments very similar to those of a regular airplane: a horizontal situation indicator, a speedometer, and registers which indicate the condition of the engine, and report any problems. The airplane has a navigation system with which it passes commands and messages to the automatic pilot-a type of "smart box"-which is found in the mini-plane. The aircraft reports on the quality and accuracy of its operation while in flight. The controller thus receives immediate feedback. It does not matter if the plane is near, or is flying dozens of kilometers away.

"This weak," recalls Lieutenent Colonel D, citing a graphic example, "I was sitting in the control trailer. The airplane was somewhere over Nabulus. I was forced to end the sortie because I was about to receive a high-level guest. While the plane was still in the air, another operator came to replace me. Five minutes earlier, in figurative terms, I had been in Nabulus. I talked to my guest for five minutes and returned to Nabulus. All this by travelling only 200 meters!"

The theoretical training of all the controllers is not long. Then comes the practical training stage, which lasts for a few months. About a year elapses from the day an operator arrives at the squadron until he begins his duty.

"By means of the RPV which flies over the battlefield we add details to the commander's picture of the battle. And in this way the trainers are able to simulate more accurately actual conditions."

Lieutenent Colonel R has been the squadron commander for the past 2 years, and the job seems to have been tailer-made for him. In his office hang photographs, reminders of the mini-RPVs' past and successful operations. Nearby are pictures of the bombing of the H-3 field in Iraq, during the Six Day war, and a photo of a pair of F-15 airplanes in flight.

On the whole, the squadron is very well taken care of, and visitors sense the warmth of a home. During periods of tension everybody works together, pilots and technical personnel, and on 40 hour shifts, in an atmosphere of complete mutual trust.

The results speak for themselves. During the last decade the squadron has almost always performed its mission in the best possible way, and it remains ready to go.

12847/13068
CSO: 4423/62

ISRAEL

WAYS TO ELIMINATE WASTE IN IDF PRESENTED

Tel Aviv HA'ARETZ in Hebrew 20 Sep 85 p 15

[Article by Ze'ev Yafet: "Costly Waste in the IDF"]

[Text] Shim'on Zev, colonel (retired), an economist, served until recently in the office of the financial adviser in the General Staff. He knows whereof he speaks, and he was exposed to a frank and open interview. It is possible to cut back and economize within the IDF. His words are not complimentary to the heads of the system who say that cuts have been taken from their flesh and blood. His words are presented here as he said them.

We can start with the issue of food. Food arrives from civilian supply warehouses to central IDF food bases. There, it is broken down, and using the "unit priority" system, it is loaded again on military vehicles and sent to the various units. In the large marketing networks of the private sector, sales centers which receive supplies play the same role as the military centers, except that in the private sector, supplies are sent directly from the suppliers to the sales centers. This eliminates the need for a middle stage which is very costly.

Savings can be effected in the areas of vehicles as well. I participated in three committees that suggested supplying vehicles on demand, as opposed to permanently, for inactive officers, as is done in the public sector. It was recommended that officers should be allowed to purchase private cars on reasonable terms. Experts examined the situation and found that the transition to the new system would save money. All the suggestions were rejected, based on the reasoning that if this were the case, officers would travel less for their work, as is happening in government offices. An additional reason that was brought up was: What will happen if the officer is sent to an active unit and receives a permanent vehicle? The first reason is strange--why stamp all IDF officers with the same label? After all, the military control network can oversee the issue well. The second reason lacks good sense. There are several hundred professional officers, such as computer experts and finance people, who for the duration of their military service will continue to fulfill professional functions and will never see active duty. Nothing is being done about this issue, and every few months the media reports on parking garages in various

military centers, filled to the brim with hundreds of military vehicles which are used only to take some officer from his home to his home to his office and back again. Many of the vehicles have full-time drivers, soldiers who for most of the day do nothing at all.

Manpower--A Point of Atavism

As for manpower in the IDF, there is obvious waste. We are running into an unnecessary explosion in the number of upper level ranks, an inflation of personnel. The phenomenon is apparent from the rank of staff general on down. Staff generals have assistants, and assistants to their assistants, deputies and drivers and bureaus. The excessive manpower is apparent to the eye. Similar waste exists in administrative networks and a number of other units in the IDF. Instead of filling out dwindling units, instead of filling the existing framework, not to mention headquarters, with soldiers--new bodies are formed, mainly to resolve the personal problems of upper echelon commanders. For example, as a result of the establishment of the field corps command, the training department could have been abolished some time ago. But it still exists and is headed by a general. The man who heads that division, General Yosi Peled, one of the most brilliant officers in the IDF, says candidly that the training department cannot justify its existence as a division headed by a general. Peled also does not hesitate to declare that the IDF should "go for" an army wherein the command network is more simplified, less complicated. There could be fewer of them without affecting their efficiency, perhaps even augmenting it.

The training department is not a unique example. There are other bodies that can be united or reduced, such as the head adjutancy officer or the head maintenance officer, who can be united within one center administered by the head of the manpower division.

When discussing cutbacks in the army, it is worthwhile remembering those who are called "unsettled"--those who have finished their jobs, finished their studies, returned from a function abroad or are about to muster out. There are many officers for whom no "work arrangement" has been found and for 6 months they have been sitting at home collecting a free salary.

Today, there is talk of lay-offs in the IDF. We should look at who is being laid off. It is principally the junior officers who are being let go, those who constitute the backbone of the army. This is an easy solution, but no special units are being laid off, and no one with tenure. "Tenure" refers to anyone who fulfills a specific function. The removal of tenure is not up for discussion. In this respect, the IDF resembles the government. No one will argue that the government is an inflated organization, that it is inefficient, that the services provided to the public are of low quality. The people responsible for this situation are the managers and senior employees. But now, when thousands of workers are going to be let go from government jobs, it is not the senior people who will get the axe, but workers at lower and intermediate levels, among them some of the most talented people in government service.

The Ministry of Defense--The Creation Overcomes Its Creator

All the defects that I have mentioned thus far are nothing compared with what is referred to as the "escapades of the Ministry of Defense." The Ministry of Defense was established, among other things, because Ben Gurion did not want army people dealing with financial issues related to purchasing. In effect, a network parallel to the IDF was built, whose entire existence is not based on reality. This network just extends and complicates the IDF's supply pipelines. The Ministry of Defense receives requests from the IDF, sets up a committee or negotiates with the producer or supplier and fills the order. Around this process, an entire ministry has been set up and fortified, with an organizational branch that boasts a giant computer center and an administrative branch with thousands of employees. This is an organization that has grown to monstrous proportions. Efficiency within it is almost impossible.

Instead of a complicated bureaucratic body serving the army's needs, the army serves the Ministry of Defense. Things have reached the point where heads of branches in the ministry and other functionaries receive higher salaries than army people with parallel rank.

The time has come to ask if the entire ministry, particularly in its current configuration, is not dispensible, and if it would not be preferable for the IDF to handle military purchasing with the aid of effective officers who could easily be transferred from one position to another, officers who would be sent abroad, to purchasing centers, for professional purposes alone. In the Ministry of Defense, workers are frequently sent abroad for senior functions, not because of their expertise and experience but because of tenure and union pressures.

Incentives for Waste

Time and again, complaints are voiced by the public concerning idle and wasted time during reserve duty. On the one hand, citizens are dragged away for extended reserve duty and their businesses suffer. On the other hand, they are frustrated because more than once, they have come to know, from personal experience, that their service was superfluous. And in fact, why should it not be so when it is not the IDF, who recruits citizens into the reserves, but the national insurance foundation, that pays from its coffers for the days served? In the absence of an incentive to save, there exists, of necessity, neglect in this area.

In his day, Pinhas Zusman, who served as general manager of the Ministry of Defense, suggested an unusual plan to the treasury: A ceiling should be placed to establish a maximum number of total days for IDF reserve duty (excepting times of war). If the IDF were to succeed at economizing, saving days of reserve duty, it would gain the monies it had saved. The IDF rejected the proposal. The problem was related not only to the framework of relations between the IDF and the Treasury Ministry, but also the framework of relations within the IDF.

At the time, several proposals were drafted, some of which I was involved in, according to which each unit was to be given a certain weight and the possibility of an operations budget. This, of course, was in the framework of clear guidelines and military procedure. Should a unit manage to save a certain percentage of the monies, a given part of the savings would be left for the disposal of the unit, to be put toward areas seen as essential by the unit's commanders. In the end, all of the proposals were rejected. Had they been accepted, it would have been linked with savings not just at the chief of staff or commander level, but at lower echelons as well. Today, there are negative incentives for savings. That is to say, if you save by reducing the number of people recruited for reserve duty, next year your annual ceiling will be lowered. Thus, one must recruit reserves even if they are not needed.

The best example in this area is related to an event in which I participated. At the time, numerous complaints were received from cadets who spoke about a shortage of bread. An examination revealed that the base received huge quantities of bread, much more than was needed for the soldiers, but the commanders had not bothered to report on this. For many months, the fresh bread shipments were stored in the food warehouse, and the soldiers received old bread, hard and full of mold. We decided to suggest an incentive for savings to the base command. We said, "Give up the excess quantities of bread, and instead, you will receive, according to certain criteria, more cake and meat." The proposal was accepted to the satisfaction of all parties involved.

Equipment for Women's Units

For years, women in the IDF received special material for their feminine needs. During investigations, it was revealed that most of the women did not use this equipment. In this case, contrary to the general conservatism of the IDF, the military displayed open-mindedness. It was decided to give each woman only basic material, and to determine the cost of the additional items, minus 10 percent for purposes of savings, and to give that amount to the female soldiers in cash. The experiment was proven successful, the army saved money, the women now buy material that suits them, and what's more, the material given to them free is not thrown into the garbage.

In the army today, there are "physical allowances" for equipment required by every career man, such as suits, towels, shoes, and the like. The career army officer receives a coupon book and, of course, equips himself with all that is given to him free. There are officers, mainly in rear units, whose homes are filled with towels, shoes, military clothing--all of it acquired legally. There was a proposal to replace a large portion of this equipment with cash, and at the same time, cut the sum. We were asked to implement that which we had accomplished with the women in other areas of the IDF, but we failed, perhaps because the suggestions for savings came from the chief of staff's financial officer, and not from the head of the manpower branch.

A suggestion was also made to investigate the whole issue of work clothes in the IDF. Today, work clothes are made, of course, from durable material. A whole network of laundries was developed, employing numerous workers. The suggestion was made that from a financial point of view, it might be cheaper to use disposable clothing that would be thrown out. The use of such clothing

would eliminate the arcane army laundries and all the services involved in mending clothing. But again, due to the deep conservatism that exists in the system, the suggestion was not implemented, although no one denied that it would be cheaper and would result in a significant savings of money.

Projects

In these days of economic distress, the army can reduce its manpower, shut down tank motors, or reduce maneuvers. On the issue of projects, the army has a real problem. The fruits of certain projects are often seen only 5 to 10 years down the line. Thus, decisions reached at a time when there were excess funds may impact seriously on the system in times of distress. It is very difficult to stop a project after large financial resources have already been invested. Thus, there must be a clear, multi-year plan to create a true picture including the overall needs and requirements of the system.

The largest and most talked about project in Israel is of course the Lavi project. From my own experience, I know that, more than once, during the first stages of development of a given project that was related to the Israel Aircraft Industry, the Israel Aircraft Industry established a low price and later, down the line, the price began to rise steeply. According to recent announcements, a State Department document has established that the final cost of each Lavi plane could reach $30 million. This was not the price discussed at the beginning of the project.

We have no relative advantage in building planes. It is not clear to me why we should "per force" build a product for which we have no relative advantage. We have the opportunity to buy some of the most advanced aircraft in the world and we can then add our own special equipment to them. We are investing a great deal of money in the Lavi. The resources left for the ground forces, the decisive arm in battle, are being watered down. In an overview of the IDF, it is not clear if there does not exist a connection between a decline in the ground forces and tremendous investments in the Lavi project.

There are other projects that are not discussed at length by the public, but it is not clear at all if the decision-making body has made the wisest decisions. The navy, for example, has shown some initiative over the last few years by making proposals to improve the level of its forces. There is no doubt that, in terms of the force, all the plans and proposals are wise and reflect realities, such as the introduction of state-of-the-art missiles and submarines. The navy has also proven to be an uncompromising force for advancing its plans. But the fundamental question is, of course, given the reduced means at the IDF's disposal, and from a pan-IDF viewpoint, what should the overall investment be in the navy. The paratrooper, the tanker, and the pilot must have the best possible equipment, so that at the moment of truth, the tool or machine they command will operate properly. In reality, this is not always the case.

Many enterprises, defense and civilian alike, are pressuring the defense system to participate in funding various projects and purchasing their products. A product that the IDF will not purchase is not likely to sell well in foreign markets either. The defense network is frequently under pressure and worse

still, it participates in funding the development of various projects that are similar and in the end purchases similar, albeit different, products. There are, therefore, in the IDF, various types of anti-tank missiles, night-vision devices of different types, various kinds of artillery silencers, and a long list of other products. There is great harm caused by this lack of standardization in weaponry. It is expressed in excesses of manpower, small production runs which raise the overall price of a project, different replacement part inventories--all due to a lack of direction and control by the defense network.

Inflation of Defense Industries

The Israel Aircraft Industry was founded to produce weapons. Over the years, it has begun to budget more and more resources for the development of armament, either on its own or by transferring funds to other bodies such as Rafa'el, which will develop products that it can manufacture for the IAI.

The IAI is managed conservatively and positively. There are no extensive employment benefits, there is no speculatory development without backing. The organization molds itself to the opportunities in the field. It is also aided by the fact that most of its production is not centered around one central project, which, should it fail, might mean the downfall of the entire enterprise. The IAI is run as a closed corporation, umbilically tied to the defense network. It does not acquire funds from the civilian market. Its development, its conversion to a limited corporation, could move it giant steps forward.

The Israel Aircraft Industry developed from the nucleus of Bedeq-Ahzaqa, the maintenance and production of aircraft parts for common needs. This body is linked to the defense system's money nipple, which has allowed it to develop projects that are not related at all to its defined goal, such as electronic wire fences, ships, light battle vehicles, radar. The IAI does not behave economically like a body that must exploit its resources in a sophisticated manner in order to support itself.

Experience has shown that when there is a conflict between a product produced by civilian industries and one produced by the IAI, the defense network, not always justifiably, shows a preference for the IAI. This was, for example, the case with the RPV--a small pilotless plane.

Tadiran developed a sophisticated RPV. The IAI entered the race late and from behind, investing financial resources in the development of another RPV. In the end, after pressure from the IAI, Tadiran was forced to set up a partnership with the IAI to jointly produce the pilotless craft.

As a rule, the defense network should stop showing a preference for the monopolistic defense industries. They should work with defense industries in exactly the same manner that they work with private firms. Thus it was agreed with Tadiran that the firm would develop, using its own financial resources, a highly sophisticated communications device. It was agreed that, should the IDF decide to equip itself with this device, through sales of the device, the firm would recoup its investment costs for development. That is how it happened in an open market, and all the parties are satisfied. That is also the

way it works with other private firms, for example, in the field of fire control. There are no fat project development contracts, as is the case with the IAI. Development is at the expense of the private firm. If the professional force so recommends and there are funds for purchasing, the deal is consummated.

The definition of the role of Rafa'el--the network for developing armament--is to deal in the development of weaponry and future generations of weaponry. Over the years, Rafa'el has begun to deal more and more in production. Today, it is involved approximately 50 percent in development and 50 percent in production.

From this point of view, Rafa'el people are justified in their claim that the transition from development to production and from the first production phases to final production pays off for the development body. The heads of Rafa'el also admit that the glory frequently comes not just from the development of a particular weapon, but from its actual production. In any event, the reality is that Rafa'el has developed a production network of its own. Because the dominant force for development came from within, Rafa'el was able to create a situation for itself whereby it was not obligated to pass the fruits of its development on to a competitive production network.

In actuality, waste celebrated a victory. Instead of establishing a central, efficient body that would specialize in production, three production networks were established alongside three development centers. In times of economic abundance and plentiful orders, everyone rejoiced. In times of cutbacks, the production facilities were left under-exploited and with excess manpower. Thus, we can see electronic centers and centers for rocket development divided. Three different groups invested resources in developing one product. Obviously, the products were more expensive and this situation causes a lack, a standardization within the IDF. At times when orders are falling off, the three centers are partially quiet. They lack the flexibility that a single center would have to adjust itself to the circumstances dictated by a new situation.

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ISRAEL

NATIONAL DEFENSE COLLEGE REVIEWED

Tel Aviv HA'ARETZ in Hebrew 18 Sep 85 p 7

[Article by Ze'ev Shif: "Military Education or Failure"]

[Text] Most of the IDF's chiefs of staff have barely struggled with what is commonly called "the development of military thinking." They have dealt with the issue emotionally as involved parties. Who, among the leaders of the army, is willing to admit that he is against original military thinking and against open debate in the security council?! On the other hand, how many of them are really capable of dealing in depth with the development and understanding of opposition in the army? And who among them would tolerate "troublemakers" who present challenges to the conceptualization of the defense world of yesterday and today?

The rewards for being on the side of the "ayes" are great. The army, by virtue of it being a rigid framework with an anti-democratic hierarchy, does not tolerate opposition. The military framework eschews oppositionists and spews them out even if their ideas are true and brilliant, and especially if it turns out that they are wrong. Only a few chiefs of staff revealed sufficient tolerance on this issue (one of them was Yitzhak Rabin). When Ari'el Sharon was an officer, he spoke out zealously against most of the chiefs of staff, whom, he said, repressed original military thinking. But Sharon, as minister of defense, repressed with an iron hand anyone who thought differently and even made a point of throwing such offenders out of the army.

There are mixed feelings on the part of the military brass concerning higher education in the army, relating to a philosophy of national defense and strategic thought. All of the high level officers are in favor of expanding education in general and military education in particular. However, how many of them are actually educated? About how many of them can it be said that they follow and understand what is happening in NATO, for example, or the strategic thinking of the mother power--the United States? They know a lot about Arab armies, but most of them know very little about the Arab people and their countries. Military education is perceived rather as conventional knowledge--technical and tactical. Many pay lip service to the need for original military thinking and the need for upgrading military education. But in fact, on the first list of cutbacks, it was suggested that the National Defense College be closed.

A Feeling of Malaise

These speculations on the cultivation of military thinking and military education in general come to mind as the 12th class graduates from the National Defense College, and a new class enters. The malaise deepens as one reviews the list of the tens of thousands whom the IDF has sent over the last 10-15 years. Many were and still are good technicians. There are among them good generals, but it would be very difficult to point to which of them could be described as creative in the area of military and strategic thought, like General Isra'el Tal in the Armored Corps and Beni Peled in the Air Corps. Part of the problem is the amount of time that elapsed before these officers became generals. Statistically, it can be claimed, however, that formal education in the IDF has increased over the years, but given the current system, very few can read serious professional or semi-professional literature or even books in general. The investment in training beyond the technical level is marginal. It ranges from a regimental commander course to command and staff at a course for unit commanders. Everything is focused on conventional military and technical expertise. There is not always proper attention paid to the level of those who head up this framework.

The courses offered by the National Defense College are a leap forward. As for the former, there is no way of knowing if it was not a one-time course that does not differ from the training given to generals. The college, it seems to me, is always waging battles and must constantly prove that it is necessary and important to the IDF. This is not just characteristic of our era alone. The college was first opened in 1964 after much discussion. Four years later, in 1967, a budgetary excuse was found for closing it. There are those who claim that it was easy to convince Levi Eshkol to close the college because they explained to him that the college breeds political explosive (Rafi'ite) material. It is doubtful whether this claim is true. In any event, the college was closed (against the wishes of the chief of staff Yitzhak Rabin) for 10 years. Since it was reopened, eight classes have graduated and Generals Menahem Meron, Ya'akov Eban and Ari Ya'ari have headed the college.

In large western, advanced armies, there are two schools of thought on higher military education. The IDF has adopted the American college philosophy, according to which the students' knowledge of the basic problems of strategy and national defense is broadened, in other words, in depth study of Israel's defense policy emphasizes higher military training, studies in the field of planning, upper field management, logistics and the like. The American manage to combine the two approaches because in addition to a central college, each branch has an independent college as well as a college for industrial subjects, and in addition to all these, numerous civilian research institutes, several of which deal in war games. The central college also covers special training for generals in various subjects, courses that last several weeks.

Two Teams

The IDF has but one college, and in the 11 months available for the students, all facets of both schools cannot be crammed in. It is clear that the average student, until he arrives at the college, lacks the opportunity to examine the

fundamentals of Israel's defense philosophy. He also lacks the opportunity to deal with upper level field philosophy and the like. In the current situation, the chance of extending the period of study in the college to 2 years is nill, if only because the generals would object to releasing good men under their command for such a long period. The result will be that in the future, according to General Ya'ari's suggestion, the two methods will be combined. The study of strategic subjects and those related to national defense will be combined with higher military training, including an introduction to computers, planning, and classical military philosophies.

The philosophy of education is of secondary importance compared with the question of who will be sent to study and who will teach at the college. The condition for success of an institution such as the National Defense College is to turn it into a strategic unit, a center for thought, with two teams from the IDF in place at all times: a team of students and a team of leaders. This is more important than the pressing question of budget. Heading the college there must always be a senior general, someone who comes from a branch command or some other broad command, and is up for a promotion. The instructors must be a leading team in military thought with considerable operational experience. Perhaps the IDF will find it difficult to put together such a team, or, perhaps it fears the formulation of opposition within the army.

The second team must be students with a purpose, which is not always the case. It must be comprised of people who are already destined for and have been chosen for advanced ranks, not just people attending the college as a way out of the IDF. While civil branches (such as the Mosad and the Intelligence Service) generally track advancement carefully, this is not the case in the IDF: Each year the average rank of the students at the college goes down. In early graduating classes, one could see among the students many brigadier generals. In the 12th graduating class, there was only one brigadier general.

There is a parallel increase in the number of lieutenant colonels among the students. In the last class, there were three; in the current class, six. They may be superior students and candidates for advancement, but the trend should be that the National Defense College is a school for generals and those who will rise to such ranks. This will ensure that the students' final papers and the college war games are on the leading edge. The other approach ensures us only that the college is heading toward the next budgetary crisis, when once again the suggestion is raised--for this excuse or another--to close it for a few years.

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LEBANON

FADLALLAH SPEAKS ON ISLAMIC UNITY, RESISTANCE

Hizballah Statement on Unity

Beirut AL-'AHD in Arabic 28 Nov 85 p 6

[Text] The Hizballah in the south has issued a declaration on the occasion of the birth of the most noble prophet (on whom be God's prayers and peace) and Islamic unity week, stating:

Almighty God said, "Oh prophet, I sent you as a witness, a bearer of good tidings, a bearer of warning, someone to call for God, with his permission, and a bright lantern. Give the faithful the good news that they have great grace from God, do not obey the infidels and hypocrites, set down their torment and put your trust in God, for God is sufficient as a representative."

A true saying of almighty great God.

On the anniversary of the lord of the prophets and living things, Abu-al-Qasim Muhammad (on whom be God's prayers and peace), we seek sustenance from the aid of his mission on which God sent him to liberate mankind from servitude, idolatry, paganism and ignorance and to give lessons and morals to the ignorant. We seek the aid of his holy war and his brilliant light to resolve the problems which befall the course of Islam and stand in the way of dissension and the satanic schemes which the forces of perfidy and world arrogance are weaving.

The greatest lessons we can benefit from on the anniversary of the noble birth of the prophet and the week of Islamic unity include the following:

The assertion of the unity of all Moslems, without regard to their nationalities, countries and languages, in confrontation with the opostate and deviant forces -- "This is your nation, a single nation." This is because what afflicts a Moslem in the east of the earth or the west of it is of necessity reflected on all Moslems, and this unity must be integrated and offer practical significance on all cultural, political, economic and other levels.

The forms of deviation which want this country to proceed in the caravan of the west and become a pliant instrument in the hand of world arrogance in a

desperate attempt to extinguish the awakening flame of Islam will be confronted only by the unity of closely joined ranks in the context of political positions and the practical course of the mission: may all Moslems remember.

Islam is the word of unification and the unification of the word.

This is because all the forms of domestic dissension will do nothing to confront the real dangers looming over the nation but increase the rift from which America, Israel and their allies benefit in the region at a time when we most need to direct our gaze and our rifles at the domineering Israeli enemy.

Emphasis on the importance and continuation of the honorable confrontation with the enemy Zion, which is still squatting on a portion of the Moslems' land in Mount 'Amil and Palestine, through the rifles of the Islamic resistance and through the perseverence of our devout silent masses in the areas of the border strip, whose people are suffering from further dispossession, uprooting and vexations, not to speak of the sufferings of our brother fighting men who are imprisoned in the al-Khiyam prison, where the perfidious enemy is engaging in satanic forms of psychological and corporal torture, attentive to be as aware as possible to reveal the evils and woes Israel, the cancerous virus, is engaging in, stressing the importance of supporting those who resist and the people of the areas of the border strip in the face of the enemy.

Continued resistance will rely greatly on the state of Islamic unity and this resistance must find its strategic hinterland and its natural embrace in the home and land of every Moslem who is committed to Islam as a mission, belief and holy war against the arrogant. The Moslems' future and genuine identity will be determined in the light of this resistance and its consequences.

On the occasion of the holiday of the glorious birthday of the prophet, the birth of blessing, bounty and mercy for the nation, we send greetings of commendation and praise to all people who are resisting, are in prison and are persevering in the face of the occupation, for they are preparing the Moslems through the true dawn, the dawn of Islam and freedom.

Friday Speech on Duties

Beirut AL-'AHD in Arabic 5 Dec 85 p 8

[Text] Ayatollah Muhammad Husayn Fadlallah gave the Friday sermon in the mosque of Imam Rida (may God be satisfied with him) at Bi'r al-'Abd in the presence of a large throng of persons performing the prayer and students of science. In it, it was stated:

We remain in the atmosphere of God's prophet, on the anniversary of his birth, so that we can be born again, so that we can be born in accordance with the inspiration of God and the morality and platform of life of God's prophet, because God wants every man to live his life so that he may be given a new birth every day, for every day of our life represents a new life which has its own issues, its own plans, its own relations and its own

climate which moves all this, and God wants us to stand before him every day so that we may feel that we have been born again. We must face everything within us in a manner of deep reflection and thinking, so that we may review all the accounts of the other days.

"I have sent you a witness, a bearer of good tidings, a bearer of warning and one who calls for God." The prophet of God does not call us to himself, his leadership and his tribe, and has not called us to anything that concerns him; rather, he has called us to God, as he has called himself to God. He has believed in the mission, has called us to belief in it and in the truth of the mission, and has called us to testify to it. He has served God and summoned us to God's service. He is the first Moslem, the first in his belief, the first in his holy war and perseverence and his devotion to almighty glorious God. He told people "God created you from a single spirit, and it is God that gives you sustenance. He gives you life and gives you death. You do not own anything except what God gives you to own. Be in harmony with God so that the end may meet up with the beginning. You began with God so end with him. God calls you only to what is good and to what gives you life: "Oh you who have believed, respond to God and to the prophet if he calls you to what will give you life." God calls us to himself and the prophet calls us to God to liberate our will from submission to any servant like us, to give us freedom of thought, freedom of spirit, freedom of feeling and freedom of movement before the whole world, so that we will remain servants of God alone. He says, "People, do not go after Zayd and 'Amr, because they are God's creatures just as you are God's creatures. Why do you become ground down before them, without God? God provided them with strength and God provided you with strength, so why do you stand at their gates and not stand at God's gates? Calling to God with his permission and as a bright lantern." His worlds shine in people's minds, his mercy shines in people's hearts and his acts shine in life and make life a brilliant thing. Thus God sent his prophet and thus we have sought to live with his prophet. When he sent his prophet, he wanted to make us know how we should venture toward God through life and how we should gain paradise as our reward through what we do on earth. Paradise does not come about through prayer. The role of prayer is to cleanse you of the filthiness of thought, so that you may live with the cleanness of thought and the cleanness of the spirit with the cleanness of thought and spirit the Koran gives.

Prayer causes you to leave the mosque clean so that you may start your responsibility outside the mosque through purity of thought, spirit and conscience. The gate of paradise cannot be opened to those whose hearts are closed off to the people and do no not open their hearts to people's pains and feelings. If the people who do not give to people from their thoughts and powers go to the gate of paradise and knock on the door, they will be told "What is within you?" They said, we have performed the prayers, we do not have anything for the people, and it will be said that paradise is for the people who have opened up toward the children of God and not people who have lived for themselves.

There is a saying of the prophet which the prophet uttered to his companions. In this regard, the initiative came from the companions of the prophet of God. They kept telling themselves that the prophet of God was one of us

and was the closest of people to God. Paradise was in God's hand, so come let us go to the prophet of God, we who are his companions, so that he may guarantee us paradise. They went to him and said, "Let us have something from within you, to guarantee us God's paradise." The prophet of God was surprised by the matter; paradise comes only through action. The account says that the prophet of God bowed his head to the ground and told them "I will guarantee you God's paradise on one condition." They said, What is it? He said, "That you do not ask people anything. Rely on yourselves and plan your life on this basis. If you do that, I will guarantee you God's paradise.

"Do without the person whom you wanted to be your commander."

The prophet of God wanted his nation to venture out on life through reliance on the self and on one's own powers.

The need for people makes you relinquish your principles, your religion, your freedom and much of what you respect in your spirit and your life. This is what we are faced with in our past and present history. Why would people make themselves slaves of rulers? Because people need them, and those people would exploit people's need to have them abase them. Tyrannical governments have come and tied people to them through these leaders, because colonialism does not want a nation to rely on itself. Therefore, the countries try to abase people in two ways, before their intermediaries, then, subsequently, before themselves. If a country respects itself and its people, the government will work to free the citizen's will from having any covetous person, leader or even ruler put pressure on it. In civilized countries, people do not need a ruler because the country has laws which impose themselves even on the ruler and the people can try officials. Islam puts the ruler under the law and puts the people and the nation also on the side of the law even against the ruler. What did the prophet of God, on whom be God's prayers and peace, do? He said, "The one who was before you was destroyed." "If an honorable man, a leader" stole, they let him be, and if a weak person stole, they set the law up against him, against the weak person only. Islamic thinking says "By God, if Fatimah the daughter of Muhammad stole, her hand would be cut off." The prophet of God (on whom be God's prayers and peace) wanted to present the idea through the person most beloved to him, "Fatimah the one who was most important to her father."

The prophet of God applied Islamic law to himself. If he erred, the Koran was above him: "If you commit idolatry, we will thwart your action."

His eminence added, We, here, are now the same as there. If you want to ensure yourself that such and such an armed person will not steal from you here, you must pay tribute to the armed person there. People are now paying to protect themselves because people who bear arms do not bear responsibility for people's security. Rather, they exploit people's security so that new rich people and a new class can come about, putting pressure on people to exploit all this so that they can enslave people. God has made people their own masters in the framework of Islamic law. It is not lawful for anyone to put pressure on anyone's freedom, to transgress against anyone's money, or expose anyone except to what is right. "Do not kill the spirit which God has

made inviolate except through what is right." In a previous conversation, I said that the problem of the Moslems who are devout, no matter what group they might belong to, their problem is that they are venturing toward Islam in the name of Islam without Islam, because Islam says something and they tell themselves something. We are killing on the basis of suspicions, on the basis of charges and by whim. We try to exert pressure and torture a person so that he will confess -- you torture him with electricity, the whip and other things and threaten his life and his family so that he will confess, and he confesses because he cannot endure those things. How did so and so confess, and what capacity do you possess that you might make yourself a judge? In Islam the judge must be a just exerciser of individual thought and if there is no just exerciser of individual thought the judge must be a person who knows God's Islamic penalties. However, so and so is responsible for censorship and the judiciary and does not know the ruling of doubt in his prayer. That exists among us here on the stage.

Now, for example, we are Moslems and we kidnap people. Why the kidnapping? It is said that we have kidnapped persons. We ask, who kidnapped them, innocent people whose problem is that they belong to a religion which is different from ours and a group which is different from ours? It is no longer a matter of the kidnapping of a Christian or a Moslem, but of a Shiite and a Sunnite, a Shiite and a Druze, a Sunnite and a Druze. It is justifiable that you differ with people over a religion, creed or political situation. The way by which you exert pressure is to kidnap someone who is totally alien to the environment, kidnap and torture him. We are experiencing the problem of kidnapped persons domestically and abroad. "No soul laden bears the load of another." The Koran says that. People should not bear the sins of other persons. If a father commits a sin you are not permitted to punish his son, because God has made everyone responsible for what he has done. "Let whoever does a grain of good see it and whoever does a grain of evil see it." Nonetheless, we proceeded in this way, when the recent battles took place. Who is so and so? A Druze, a Shiite. Kidnap him -- he came from the mountain, from the south, that does not matter. One of the methods of combat is that innocent people should be kidnapped, in order to be turned into real criminals in the future. The objective is that non-factional people should be tortured to be turned into factionalists who are fanatical about their faction. We are exercising the non-Islamic method now; hijacking planes -- what is the justification for it? Why? We are asking this. What do the passengers of the plane have to do with it? They might be opposed to the regime against which the hijacking operation is directed. There is evil in everything good and there is something good in every evil. There is no act in which there is 100 percent good, and there is no act in which there is 100 percent evil. There might be positive aspects to this action from some angles, but its negative angles are more numerous. We must not be enthusiastic about this method. There is no basis for our trying to put means of transportation in the world at the mercy of political slogans. Today you are a hijacker and tomorrow you are the one who is hijacked.

Moreover, we are not in favor of the method by which the operation of hijacking airplanes is confronted, especially the latest operation. We ask the Egyptian government if there were 10 Americans or one, and did America coordinate with Egypt, but no one asks about the people of the third world who were on the airplane.

America gave the Egyptian government the green light to carry out the operation, there were 60 victims, and now there are investigators to cover up the case. It is a brutal method but that does not justify hijacking the plane. There are ways by which you can exert pressure through appropriate means, on condition that you do not punish an innocent person for a criminal's sin.

In this way, we want to live with Islamic values, Islamic methods and the rulings of Islamic law on the birthday of God's prophet. Draw the rulings of Islamic law only from people who are accredited in the rulings of Islamic law and have the knowledge of Islamic law and the piety of Islamic law. Do not draw your rulings of Islamic law from people who have no knowledge, even if they are called a sheikh or descendant of the prophet. Do not draw your Islamic rulings from people who have no piety even if they are called a sheikh or descendant of the prophet.

We must think of something basic which we must not forget, that we should not be fanatic about what is false just because it comes from our faction or party. We must search our souls on making a mistake, even if that costs us much, and the leaders must search their souls to the end that what they do when they apologize is not enough but that they must present themselves for accounting on earth before the hereafter. That is what the leadership at the higher and lower level must think about, and we must not pave the way for leaders who fail to give people justice and truth, by continuing to support them. When we look at negative aspects, we must also look at the positive ones so that the situation will be in balance. We must give all people their natural scope and face the situation from the position of justice. In this manner we will be able to keep the stage from being subjected to deceptive media policies and make it subject to real positions. We know that the Islamic and national relationship and sincerity at this stage is to fight Israel, and we consider that all these battles are an attempt, deliberate or otherwise, to divert people from Israel and keep our attention from Israel. Dozens of dead people and hundreds of wounded persons, destroyed homes and burned shops fall in our midst every day that are not falling before Israel, causing it now to tell the world "Do not believe the propaganda against me, I am destroying 10 homes in villages and killing one or two persons, but they are destroying hundreds of homes, killing one another by the dozens and hundreds, and driving people out of their homes."

Israel benefits when the allies are harder on one another than enemies and the allies fight every day then embrace, and God forgives what has happened, God has mercy on the person killed, God cures the wounded person, and God repairs the house of the person whose home has been destroyed. Israel benefits from that, and therefore the world has given up talking about all Israel's arbitrary actions and Israel has started to revive our [sic] brutal domineering colonialist policy. The rifles were pointed at Israel's chest and the situation in Israel was so bad that if the rifles were pointed at our chests it would have relaxed. Therefore, we must, if we are sincere about the struggle and if we are sincere about freedom, independence, Islam, Shiism, Sunnism and what we are talking about, know how to unite in order to fight Israel. It is not prepared, even if it calls for it, to enter into peace. It will enter only into the peace which suits it, and it will not produce negotiations. It wants to deepen its presence on the territory.

There is no alternative to miliary resistance and even peaceful resistance. We tell our people in the strip that we know that they are suffering much, are being tortured and are suffering from economic, political and social problems, but we say that if they surrender to Israel that will never benefit them. It will try to defraud them and turn them into slaves. We say, if you cannot resist, demonstrate. Peaceful demonstrations can give the world an idea that the border strip does not want Israel. We must think of negative resistance through striking. When Israel was in the heartland of the south, it drove many learned men and young people from their homes, but the resistance remained. Israel may drive many people out, but if we support the resistance and know how to cooperate, Israel will leave and everyone will go back to their villages. There will be no security for the people of the south unless Israel leaves. As long as Israel remains, there will be no security. We call for the arms in the south to move in a disciplined manner, on condition that internal security not be exploited for the sake of proscribing the weapons of the resistance. We consider that we do not have the right to appropriate the weapons of a resister who is experiencing the responsibility of resisting and the responsibility of the nation's freedom under any security excuse. Therefore, we tell all the groups which are living in the south that they must move away from complexed positions, indeed with an open heart, because the stage cannot endure this manipulation which creates confusion and destroys people's positions.

The resistance's freedom to launch forth and store its arms in secure places, to launch forth to shake Israel's security on the strip and domestically, is its right. We say that to everyone, that we will not succumb to this mistake. At that point we will be serving not the security of the south but the security of Israel.

We must in the end think that God orders us to unite on the basis of principle, belief and a single goal.

Warnings of Domestic Conspiracy

Beirut AL-'AHD in Arabic 12 Dec 85 pp 9, 10

[Text] Ayatollah Muhammad Husayn Fadlallah considers that the battles taking place in Beirut are part of the regional and international political game which is seeking to fragment the condition of Islam. He considers that not all the Moslems' military and political movements venture forth from an Islamic premise, and that the Moslems must call things by their names and not say "this faction has been killed," but rather "this group and this tribe."

He stressed that the issue of partitioning the region has not been shelved, that there is more than one conspiracy and more than one explosion, that Lebanon is still a local, regional and international firing range, and that there is political hypocrisy which the leaders on the stage are practicing, paving the ground for the people at the base that there is a challenge in the situation which will endure all conflict.

This was stated in the latest Friday sermon which Fadlallah gave from the pulpit of the mosque of Imam Rida in Bi'r al-'Abd, which he began by stating:

"During these days, we have gone through the anniversary of the birth of Imam Ja'far Ibn Muhammad al-Sadiq (may God's peace be upon him) and we want to pause before this great personality who filled his age and the backward ages with learning, spirituality and openness to Islam, all through more than one road and more than one area, so that we could make our life an extension of this atmosphere, which Islam, through the personality of the prophet of God (may God's prayers and peace be upon him) and through the good elite of imams on behalf of its home, upon whom be peace, wanted us to live through Islam, so that every stage of our life would be a form of Islam that moved in our morality, ventured forth in our relations and opened up through our thoughts and through the learning we acquire and the learning we give. Imam al-Sadiq possessed the full freedom at that time and some of the ones who acted between the two periods tried to get Imam al-Sadiq (may God's peace be upon him) to enter into the struggle, not on grounds that it would be the leadership that led the struggle, but on grounds that he would be a card in the hands of the people who were making preparations for the struggle to get in movement. The imam knew the secret of the game when the letters of Abu Muslim al-Khorasani came to him, and the imam rejected that."

He went on, "He worked so that all Moslems would be turned into educated people understanding their beliefs, understanding their Islamic law and committed to their lives on the basis of this Islamic law, because if Moslems are educated and aware they will know that Islamic law is true and other laws are false and thus will be aware persons whom no one can overcome by mixing truth and falsehood and mixing sincerity with fradulence, because people take and are led astray by the leaders of falsehood and agencies of falsehood exploiting their ignorance. People are ignorant of their beliefs and false beliefs are presented and portrayed as not contradicting the belief of Islam; they are ignorant of the provisions of their religion, and the scholars of evil who serve falsehood and the advocates of evil come to lead men astray to offer them leadership which will serve the princes so that the people may degenerate through them and the downtrodden may degenerate with them. Therefore, the nation's awareness of its individuals and groups has been on behalf of the atheism to which it is committed and the Islamic law it basically believes in for any takeoff toward revolution and correction and change in actual conditions. This is what the imam wanted to stress and emphasize. He told some of his companions, 'I wanted the whip over the heads of my Shiites so that you could become well versed in religion.'

"He hoped that the whip would be over the heads of his group so that they would become well versed in their Islam. He wanted to tell the Shiites who were committed to his rule and his leadership of religion that adherence to Shiism was not rancor, hostility, vengeance or fanaticism but that adherence to Shiism was Islam and the true Shiite was the true Moslem who ventured forth in his adherence to Shiism from the positions of his Islam and through Islamic law in every area. He was not seeking subjects and a group bearing no form of adherence to Shiism except fanaticism and emotion. He wanted them to be properly committed to Islam. He told them, 'I counsel you piety, truth and honesty. If any man among you is truthful in his talk, performs his trust and is pious with his religion, they have said this is a Ja'farite. That gladdens me, and it is said, this is the morality of Ja'far. However,

if any man among you does not perform his trust, is not pious with his religion and lies in his speech, he acts slanderously if he tells people this is Ja'far's morality.'

"He wanted them not to falter in the Shiite faith, to give them a personality other than one of pain and for them to open up to every reality that was around him. Some people came to him and told him, 'What will we do with our people, who bear a creed other than ours and are committed to error in understanding Islam which is different from the policy which we are committed to? We differ with them over some details?' He told them, 'Visit their patients, pray in their community and attend their funerals, so that they may say, May God have mercy on Ja'far Ibn Muhammad.' He disciplined his companions.

"He wanted the people who committed themselves to his policy to be open to Moslems so that they would enter into Islamic life in an open way, not through introversion, because openness within Islamic life dispels illusions, lies and degeneracy from the Moslems in their understanding of one another.

"If you have a closed society and others have a closed society, you will not be able to understand the viewpoint of others except through what is transmitted to you from them, and the others will only be able to understand what is in your spirits through what is transmitted about you and the people who transmit your viewpoint from you. They might not be truthful, and the people who transmit other people's viewpoints from them might not be truthful, but a society which is open to others sees things in people's behavior that will introduce them to their true nature and character.

"Now the Moslems of one creed and the Moslems of another creed have been fossilized with the ideas they hold and the policies they are committed to. Everyone now considers that there is proof for the individual theories that he possesses and that they cannot be shaken, although there is no proof for the thinker who imitates him, because disruption has created a kind of fanaticism, fanaticism has created a kind of fossilization, and fossilization has caused sympathy to be lacking here and there. Thus the Moslems, in much of their past history and perhaps in their present history, have entered into a state of mutual renunciation, mutual exchanges of curses and mutual charges. Therefore, Imam al-Sadiq (may God give him peace) wanted the Moslems to join together so each one of them could complement the truth of the other."

He added, "Al-Sadiq, may God give him peace, opened his school to everyone who came to him and was committed to the policy of the people of the imam's religion and people who were not. We observe that Imam al-Sadiq was a professor of Abu Hanifah's for 2 years, and Abu Hanifah said, in what was transmitted from him, 'Had it not been for the 2 years, the great good would have been destroyed' (the 2 years in which he served as an apprentice to Iman al-Sadiq (may God give him peace)). Abu Hanifah transmitted his opinion on Imam al-Sadiq when some people asked him who was the most knowledgeable of people. He said, Ja'far Ibn Muhammad. They said, how so? He said, Abu Ja'far al-Mansur invited me that day and said that the people had been won

over to Ja'far Ibn Muhammad and his learning, and he prepared subjects from the ones you had which you would pause to consider. Then he came to him and asked him, and the imam said, If you say such and such about a subject and the people of the city say this, and we say that, we may perhaps all differ and we may perhaps agree. Then he brought 40 subjects and Abu Hanifah said, Don't we know that the most knowledgeable of people is the one who is most knowledgeable about people's differences, that is, the person who knows what is in his mind and who knows most what is around him that people differ over? We have also seen that Malik Ibn Anas, the imam of the Malikite creed, studied as an apprentice under him and said, in some of his statements 'I have not seen, and this is no threat to the heart of man, a man who is truer and more pious than Ja'far Ibn Muhammad. I went to him and I found him only mentioning God and calling for him or praying humbly to him.'

"The imam was a professor to everyone who came to him and his school was open to them. Thus he managed to enrich Islamic culture through many of the professors during that stage and the one after it, so that people came who said, 'I went into the al-Kufah mosque and saw 900 sheikhs there, each one saying "Ja'far Ibn Muhammad al-Sadiq spoke to me."' By these sheikhs were meant the professors of extensive courses, and 4,000 narrators were counted who had related his sayings.

"Thus the stage Imam al-Sadiq lived through in the life of the Moslems was ahead of our stages and the stage we are living in. At that time there were no schools of religious learning for Sunnites and there were no schools of religious learning for Shiites.

"Shiites and Sunnites came to the mosque; the former would study as apprentices under the latter, and the latter under the former, without feeling any embarrassment about it.

"If Sunnite learned men paused to consider an issue and wanted to know the wisdom of it, they even had no objection to seeking some narrators to tell them 'What is in your mind, what have you related concerning Imam Ja'far al-Sadiq (may God's peace be upon him) on this issue?' If they knew that, they made rulings on it without feeling any problems. There was liberal scholarly modesty and thus the Moslems were able to come together over many things, know one another and venture forth along a course of common understanding to the point where we know that in later ages we find that many of our scholars, especially the scholars of Mount 'Amil, went to other countries and studied. The first and second martyr studied as apprentices with Sunnite scholars and the second martyr studied at the school of Ba'labakk at that time which then belonged to the four creeds. The followers of the four creeds would come to him and he would give them what he knew of the four creeds. He would also give them what he himself believed and what he proceeded with in his individual theorizing. Islamic life was liberal and therefore we find that the Islamic books which were written in that period prove that there was a common culture. Now, however, each Islamic group has a specialized school, which no one penetrates into. We now have al-Azhar in Egypt, al-Zaytuniyah in Tunisia, al-Najaf in Iraq and Qom in Iran, and each school just embraces the people of its own creed. Thus, the scholarly aspect has become split up, so that the Moslems have been set against one another,

and we feel that there is a need that there be various schools in which the Moslems will have knowledge, all on the basis of rhetoric, on the basis of the science of Islamic law or on many of the issues they need in their lives, because even if they do not reach agreement with one another over what they know, at least they can understand one another regarding what they differ over, but if I understand you wrongly and you understand me wrongly, how can we understand one another and reach agreement? We cannot reach understanding at all. Therefore, we believe that the common schools which existed in the era of Imam al-Sadiq (on whom be God's peace) were basically to be considered on behalf of an Islamic rapprochement, Islamic unity and a common Islamic culture.

"This is what we must experience in our cultural life and in our political life as well, since the challenges facing the Moslems now are not facing them as Shiites and are not facing them as Sunnites. When colonialism now stands alongside its allies and agents, when it stands in the way of the Islamic revolution in Iran, it does not stand in its way as a Shiite revolution, as its agents and allies say, but as an Islamic revolution that wants to open up before all Islamic life and wants to bring all Moslems together within a cultural and political unity through which they will confront every apostasy and face every form of darkness. Otherwise, if they wanted just to confront the Shiites why should they confront fundamentalist Islam in Morocco, Tunisia and Algeria? Why should they confront fundamentalist Islam in Egypt and elsewhere? Are these people Shiites? This is not the case.

"They want to tell the Sunnites, divorce yourselves from Iran's revolution, because it is Shiite. They want to tell the Shiites, try to turn away from the Islamic movements in Egypt and elsewhere, because they are Sunnite. Therefore, colonialism will be able to deal separately with the Shiites alone and bring in a group of its agents to eliminate Shiism, then also come in through agents who may be Shiites or Sunnites in order to do away with the Sunnite Moslems who proceed with the premise of Islam. Colonialism cannot bear having Moslems proceed from a premise of intellectual self-reliance and it cannot bear having the Moslems act through economic and political self-sufficiency and so forth. It wants us to continue sitting at its table, feeding ourselves with the thought and consumer products it offers us. Therefore, the Moslems must understand the secret of actual conditions and the game and understand that colonialism acts with all the power it has in order to confront all Islam in a fragmented way so that there will not continue to be a coherent Islamic entity facing the tyrannical, despotic situation from a unified position.

"We know that the Omayyads in the era of Yazid killed Imam al-Husayn (may God's peace be upon him) but that did not prevent Zayn al-'Abidin (may God's peace be upon him) from sitting down at his pulpit before his lord to appeal to the people who were fighting in the army of the Omayyads when they were fighting idolators, tyrants and infidels, because the issue, to him, had not been turned into a complex. He did not acknowledge the Omayyad caliphate but he considered that the army was the army of Islam and was fighting for the sake of Islam and that the challenge being directed was not directed at the Omayyads but at all Islam. Therefore, he called on the people of the gaps; the people of the gaps were people who quartered on the borders, and they were not Shiites.

"'Ali (on whom be God's peace) believed that he was in the right, but nonetheless, in every period of the caliphs who came before him, he would tell his companions 'Let me make peace, the affairs of the Moslems have not become peaceful.'

"This is what we must understand. We tell all the Moslems inside and outside Lebanon that difficult problems might exist, which put pressure on your situation, and a group from a given creed or faction might harm a group from another creed or faction as a result of an apostate political situation, even if it ventures forth with an Islamic appearance or as the result of immoral conditions.

"We want to tell the Moslems, these sorts of battles which take place from time to time by means of an Islamic group here and an Islamic group there might be part of the regional and political game which seeks to fragment the Islamic situation to create among Moslems a new rancor feeding on the old rancor, so that it can collect from their historic disputes and feed the old rancor with the new one, so that Islamic life can continue as a policy of rancor, a war of rancor, a society of rancor and a state of rancor, and so that the Moslems will not become united. Even when a state of mercy and affection arises, all the people who sow rancor on the stage will come in order to kill all the mercy and affection and everything that is right in people's spirits. That is what it is hoped will be realized in the field, so that the Moslems will desist from raising Islam through actual conditions as a point of departure for freedom and justice, so that the Moslems will agree to be under the feet of the conquerors, people with designs and colonialists, and so that the Moslems will desist from being a firmly-united unit in the face of every tyrant and oppressor.

"Therefore, the Moslems must know the secret of the game and must be aware of that and not rush after rancor or give things more than their real weight. When problems occur between a group belonging to a specific creed or to another creed, some people utter words saying that Shiites killed Sunnites and Sunnites killed Shiites, that these people stole from them and those people destroyed these. However, we say that this is the game; if one of them fights or 1,000 of them fight, you say that a whole million fought. If there are political or security conditions being manipulated by local, regional or international policies, what do the Shiites or the Sunnites have to do with this subject? What does all of Islam have to do? Not all the Moslems' military or political movements proceed from an Islamic premise or a doctrinal premise. Therefore, say 'so and so was killed,' do not say 'his tribe;' say 'such-and-such a tribe was killed,' do not say their faction, because we must specify things within their limits, lest we find an innocent person guilty of the sin of the criminal and lest we thereby be carrying out the instructions of the intelligence agencies and the people manipulating the intelligence agencies on the stage.

"I can tell you, in this regard, from the position of responsibility, no group will profit by closing itself off within itself and by being fanatic within its factional context. You will not profit politically, in security terms or economically. Rather, you will be the losers on all levels, because the situation has ventured forth from a policy of complexes by which it is

sought to fragment the country within as a prelude to fragmenting the whole region, because the question has not been shelved, the question of partitioning the region has not been shelved, because it was not finished with in Geneva. There are committees that will meet and there are new stories. There is more than one arrangement being made, more than one explosion and more than one situation in the framework of the region, as one awaits the summit of the two in Washington. Then after that they will give the people a date in order to wait for the Moscow summit, and thus the people will continue to live on the flood and will accept any flood that washes them away and washes away their interests, while waiting for what comes from the summit. Will rains that will cause the ground to become green or eroding floods come? The people who stand before their future in subjection to those who manipulate the interests of the people are the ones who will be carried away by the current and be set off into the depths, losing everything.

"We want to be an aware, educated people who fully know their potential and fully know that all the background elements that come together to confront the situation are from one place or another. We must face the situation with the consideration that there is hypocrisy on the stage which the leaders are engaging in amongst themselves and that they are making preparations for the people at the base, that there is unity of positions which can profoundly tolerate all conditions and that there is hypocrisy at the level of the political situation in Lebanon in confronting much on the regional and international level. People say much about things they do not believe, are very enthusiastic about things they do not like and show many positions on things they do not believe. There also is hypocrisy, and we must not be hypocrites in our common framework if the policy among the people who govern the political situation is one of hypocrisy, lies, dissimulation, shifts in positions, a double game, and capitulation to pressures. We must know how we can impose the blunt truth on the political leadership that we must stop indicating to them that we support them consistently, as we are doing now. When we embrace a person, a body or a movement, we are turning our eyes away and trying to venture toward him and tell him 'you have the meat and the bones are left to us.' We must realize that it is a matter of our sustaining defeats which do not afflict the leaders. The people supervising the situation will not suffer from deprivation. When it happens that an economic situation or political disturbance occurs, the leaders sit down in their homes or shelters and enjoy every form of protection and immunity. Who is killed? The worker who goes to his job, the student who goes to his school; the leaders' children are in Europe, studying, but our children are studying in these ordinary schools.

"Women who go out to buy bread for their children are the ones who lie within the sniper's range, and likewise the people who are killed are the people and the members of the nation. Those who go hungry are the fighting people. They are the ones who are affected by the rise in the price of fuel. The ones who live in the mountains and in the cold areas are the ones who know what the high price of fuel oil means, and the people who are compelled to travel every day know what the meaning of the high price of gasoline is. They are the ones who are burnt by this fire, while the person who initiated it has billions as a result of all this inflation. What happens now is that the minister who issues each decree has a share in it. Every decree has a

price, every vote has a price, the companies are prepared to pay and the governments are prepared to pay. When there is an election for a president, the treasuries open up from every country to make one president or another win. Whoever buys your vote in the elections sells it for a higher price, because yours is a single vote but his vote represents 50,000 in his region. Therefore he recoups the price several times over.

In this country politics is not a mission. In this country, politics is a profession and it has been subject to the law of supply and demand, to the law of supply and demand and the law of profit and loss. They say that the government has come close to bankruptcy; therefore, it is necessary to eliminate subsidies. But who has driven it to bankruptcy? Strife alone has not driven it to bankruptcy. There are many development projects and projects for meaningless weapons still in being. A single party to bless someone who has lived an austere life, our deputies and our journalists send expensive sums to cover the news; what would it mean if they saved all these formalities and all this pillage which is launched by these people, and they saved all the money they took, the ministers and the heads of the legal ports, as they call them? If they saved all this the government would not go bankrupt at all. When you want to weigh down the people with new expenses, that might be necessary in some stages, but how can you issue a law during a stage when the people have gone hungry, because they cannot find work, cannot find any opportunity to make a living and have started to migrate from their places of work, as we can observe in the policy of the Gulf, which wants to drive out these downtrodden people if they belong to a specific creed, and similarly when you want to eliminate the subsidies on fuel, to pave the way for the people to bear this indirect tax?

"You raise wages 10 percent and prices rise 200 percent. It is a process of tranquilization at the hands of this team of politicians which has burdened down the people with all their problems, dissension and defeats that is the secret of the problem. It is as if we were not satisfied with what happened in 1958 that it should depart life the way it entered it. I tell you that everyone, or most people, are in agreement over this, but they include people who stand up to confront, people who hide behind the first curtain, and people who hide behind curtains upon curtains. It is not a problem of a single person; it is a problem of rule and a problem of the people who suck the people's blood. This is the problem. Therefore we say that the people must pull out their thorns with their own fingernails, because others will not pull out the thorns for us.

"Therefore I tell you this from a position of responsibility: cut down on this emotional support, cut down on running after persons who have followed your crucial causes. If we are negligent, we will find ourselves in every complex that arises between two groups of leaders or two groups, we will find ourselves every time faced with a destructive war from it, cutting short the whole time for gathering up the war's wounds and settling its problems, and waiting for a new war, because the story is that if the people are not aware they will continue to be the tool of every irresponsible leader. We would like to be optimistic about what they say, to the effect that the security plan will be carried out, but we have become accustomed to an unresolved optimism. There have been many security plans in Beirut, then

events and events and changes have come and ready-made statements have come. Here are 'Arafatists and here are Israelis, here are deviates and here are people who have been harmed, the fighting begins, people are destroyed and statements are made. May God excuse what has passed.

"How many security plans have been proposed? Who will carry out any of these security plans? The people who created the security problem. The problem is that there is a moral problem on the stage. Who will protect the people? If I was the one who was to protect the people, I would not endure the morality of protecting the people through my history. We want to make this statement. I do not want to provoke pessimism in your lives, but I want to tell you, from a responsible position, do not take all this optimism. We are calling for conciliation for everyone who would provide a tranquil life for the downtrodden, but we do not find a realistic basis there for all this. There is more than one political problem and dispute among the people who are acting on the stage. There is much on the right that harbors the left within itself, and vice versa. There are many people who bear slogans against Israel and act on the basis of the Israeli game. There are many people who bear the slogan of acting with a specific political axis who move against this axis, because politics, to us, is the politics of hypocrisy and more than a two-faced game.

"There are no unified goals on the stage. Each group thinks in its own way. Many people are working in the name of the country's unity and are acting on the basis of the partition of the country. Unity is a cover and what is deep is the partitioning. Many people are acting to confront Israel while serving Israel every day with new fighting that serves Israel's goals in the country. Therefore, I tell everyone, be fully aware, arrange your affairs as a sick person who has suffered from a virulent disease all his life does.

"Dissension is still rampant and the Lebanese stage is still a local, regional and international firing range. There is no other firing range in the region. Lebanon is still a firing range for the policy that is active in the region and still is a stage for all political experiments aimed against the region whose goal is to steep the region in fragmentation by means of Lebanon's culture of fragmentation and to lead the region in the American game, on the basis of the American game which is active in the region. The security plans are an aspirin for a sick person who has been stricken with cancer and represent morphine for a patient living his life in danger. However, we must not be struck by a stone twice. Let us have the alertness to avoid being struck by the lethal blow. We must be fully aware of the fact that everyone who bet that the Lebanese file would be closed before the Palestinian file was closed has lost the bet. From the beginning, we said that that bet was not realistic, because the Lebanese problem is interconnected with the Palestinian problem. It is not possible for any distinction to be made between them. Therefore, we must realize that the course of the Lebanese conflict is proceeding as the course of the Palestine question in this area is proceeding, and the game still is one of anesthetizing the region. The American game in the region is still acting to make the big leaders small.

These people set off to rush after it, it gives them an initiative and they rush after the initiative 99 percent. They rush after America and the big

countries so that they will offer them a solution, then they find that America considers Israel the more important figure and they are still minor, or are still the outer shells of the numbers, and thus it is hoped that they will offer concession after concession. It pushed them to the Amman agreement, so that they would consider that a life raft. Then it acted and froze the Amman agreement, because it was stillborn, like the ill-starred agreement of 17 May. Then came the Cairo declaration, then one thing comes, then another comes, and America continues to want a solution on the first basis, to realize Israel's interests in co-opting the region. America has an interest in dominating the whole area and beyond. As long as the Arabs are thinking about independence and freedom and as long as they are thinking about balance in international relations, America will not leave them to despair and will not leave them to obtain anything. It will continue to suggest the solution to them; even if that passes away, another solution will arise, another president, a third one, a fourth one, and so on.

The region is living on this basis. It is hoped that its morale will collapse, that its will will collapse, that any meaning of freedom and dignity in its life will collapse. This is the plan which is being manipulated on the stage. America is acting diplomatically and telling Israel to move militarily. It needs to hold daily airplane demonstrations over every Lebanese city. It imprisons, destroys and uproots. Then, after that, it suggests, in the regional context, that it is possible that the atmosphere might become one of regional conflict, then suggests to all analysts that they should say that it is possible that the theater of the next war could be in Lebanon.

America suggests peace to them and leaves Israel to suggest war to them, so that if anyone rebels against the American peace it is threatened with an Israeli war, and also so that our spirit may be abased and our morale undermined and so that we may differ over our cause. Therefore, we tell it that the stage requires an Islamic awareness and political awareness so that we can know how to understand our situation on the stage, and that the stage requires a responsible stand in confronting leaders and in confronting the axes which manipulate the leaders and act to stir up dissension in our life. After that, we must realize that the future belongs to a nation that resists, a people who resist and thought that resists. We must consider ourselves on a broad battlefield and we must seek sincere persons who will stand with us on the battlefield so that we can confront every apostasy and every tyranny from a position of total faith, total freedom and total justice.

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AFGHANISTAN

MUJAHIDIN CALL FOR CONTROL OF AFGHAN EMBASSIES

Tehran KAYHAN INTERNATIONAL in English 23 Nov 85 p 1

[Text] Islamabad, Pakistan (Dispatches)--A top Afghan Mujahideen leader Thursday called on the 122 U.N. member states that voted for a Soviet troop withdrawal from Afghanistan to turn over all Afghan embassies and consulates to the Mujahideen.

Gulbaddin Hekmatyar, leader of one of the largest Muslim guerrilla groups fighting in Afghanistan made the call at a press conference in which he urged nations sympathetic to the guerrillas to take action against the Communist government of Afghanistan and the Soviet Union.

"We are trying to persuade all friendly nations to hand over all Afghan embassies and consulates in their countries to the Mujahideen (guerrilla) representatives," Kekmatyar said.

Kehkatyar recently returned to Pakistan after leading a guerrilla delegation to the U.N. General Assembly to lobby member nations to turn over Afghanistan's seat to the guerrillas and unseat the representative of the Communist government.

The 122 nations that voted in the General Assembly earlier this month for a motion calling for the withdrawal of foreign troops from Afghanistan should also recognize the guerrillas as the sole, legitimate representatives of the Afghan people, he said.

He urged friendly nations to review all political and economic ties with the Soviet Union to pressure Moscow to pull its forces out of Afghanistan.

The guerrillas are fighting to oust the Communist government of Afghanistan which is supported by an estimated 115,000 Soviet troops. Soviet troops invaded Afghanistan in 1979.

In another development, ten Soviet soldiers were burned to death when a blazing Afghan petrol tanker exploded after a guerrilla ambush on a fuel convoy, the Pakistan-based Jamiat-i-Islami guerrilla party said Thursday.

Twenty-seven fuel tankers and three trucks were set on fire in the attack last Saturday on the southern side of the Salang Pass through the Hindu Kush mountains in northern Afghanistan, the party said.

Soviet troops guarding the road, the main route between Kabul and the Soviet Union, rushed to put out the fire, but one truck exploded in a fireball killing the troops, the party quoted a letter from Peshawar as saying.

The tankers were bringing petrol from the Soviet Union to the Afghan capital Kabul.

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CSO: 4600/193

HEAVY FIGHTING REPORTED BETWEEN MUJAHIDIN, GOVERNMENT FORCES

Tehran KAYHAN INTERNATIONAL in English 1 Dec 85 p 5

[Text] Islamabad, Pakistan (Dispatches)--Afghan Mujahideen shot at least three supply convoys on a key highway and rocketed the Soviet embassy and other targets in Kabul amid reports of heavy renewed fighting in northern and western Afghanistan, reliable sources said.

Mujahideen also attacked and overran a government military post in Kabul last Friday, with several soldiers killed or captured and the attackers escaping with a large number of weapons, the sources said.

One report said large numbers of dead and wounded Afghan soldiers from the Panjsher were arriving in Kabul with one source saying 103 casualties came in.

Reports from the Panjsher, scene of some of the heaviest fighting of the ward, indicate a Soviet military base was attacked by Mujahideen in late October and 16 Soviet soldiers were killed, the sources said. Other reports describe Soviet and Afghan forces fighting Mujahideen around Khenj in the valley with aircraft, running bombing missions ahead of the ground forces.

Rebel commanders in the Panjsher are reported to be expecting another major Soviet attack before winter, when snow will restrict movement, the sources said.

Heavy fighting also has been reported in western Afghanistan's Herat Province, where Soviet and Afghan government forces launched a major drive against opposition forces around Oct 20, the sources said. Heavy fighting was reported to the west of Herat and reports from the area claimed the Soviets had lost large numbers of troops.

Meanwhile, Afghan Mujahideen in a lightning raid on an important security post killed 6 Soviet Karmal troops 30 km south of the provincial hqs of Jowazjan near the Soviet border according to Afghan Agency Press reports here.

Another group of Mujahideen ambushed a military convoy with rocket fire destroying a tank and its 8 crew members near Shirin Taghab town north of the provincial capital of Maimena in Faryab Province, the report added.

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CSO: 4600/193

AFGHANISTAN

BRIEFS

POWER STATION CONSTRUCTION--The Soviet Union's Technopromexport is to carry out a feasibility study on construction of a second power station at Sarowbi, on the Kabul river. The agreement, signed recently with the Power Ministry, calls for an 81-MW plant to be built down river from the existing station. Another Soviet company, Technostroyexport is to provide the vehicles, materials and tools needed to carry out the survey. The equipment, valued at 1.4 million roubles ($1.8 million), will be delivered within 27 months. The scheme itself is estimated to cost Af 8,000 million ($160 million), of which half is to be paid in foreign currency. It will be financed by the February 1985 long-term credit agreement with the Soviet Union and from the development budget. The station, to be built in two stages, is needed to ease electricity shortages in the capital. [Text] [London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 14 Dec 85 p 12] /9317

TECHNICAL COOPERATION AGREEMENT--The Soviet Union's Technostroyexport has a 1.2 million rouble ($1.6 million) contract to supply 13 metal bridges to the Public Works Ministry. The bridges, which are being financed from a February 1985 technical co-operation agreement, will replace those destroyed in the past six years. [Text] [London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 14 Dec 85 p 12] /9317

SOLDIERS DEFECT--Qom, Central Province (IRNA)--Over 50 Afghan government soldiers accompanied by a high ranking officer joined the Afghan Mujahideen in Jaghuri, Ghazni Province last month, said reports reaching here. According to reports joint Soviet-Afghan forces launched a brutal attack against Mujahideen in the strategic area of Jaghuri using 90 tanks and military personnel carriers as well as gunship helicopters and Soviet MiGs. During the operation the Mujahideen inflicted heavy casualties on the joint forces destroying a number of their tanks and personnel carriers and downing a helicopter. The joint forces are said to be surrounded by the Afghan Mujahideen in the area. 15 Mujahideen have so far been martyred or wounded, said the reports. [Text] [Tehyran KAYHAN INTERNATIONAL in English 2 Dec 85 p 1] /9317

CSO: 4600/193

PAPERS GIVE DETAILS ON COOPERATION PACT WITH ROK

Protocol Contents Summarized

Dhaka THE NEW NATION in English 22 Dec 85 pp 1, 8

[Text]

Bangladesh and South Korea yesterday signed an agreed minutes, underlining the strong desire, of the two governments for fruitful and mutually benefi-O economic, trade and technical cooperation, reports BSS.

The agreed minutes was signed by Mr Lim In Taik, Assistant Minister for Industries, Government of the Republic of Korea (ROK) and Dr Nazrul Islam, Member, Bangladesh Planning Commission on behalf of their respective sides following two days of talks whic concluded in Dhaka yesterday.

In the agreed minutes, the two sides felt the need for having a joint economic commission to review the progress of overall cooperation between the two countries in various fields and to identify new areas of collaboration.

Recognising the complementarities that exist between the two countries as well as for further expanding bilateral trade flows, the Bangladesh side proposed joint venture projects with Korean participation.

The Bangladesh proposals for joint ventures were in such fields like manufacturing of railway carriages and wagons at Chittagong Dry Dock, manufacturing of electronic components, transformers, circuit breakers, switch gears, etc, establishment of composite textile mills providing support to garment sector.

Besides, in the private sector manufacturing, Bangladesh suggested joint ventures in production of motor cycles, tyres and tubes, specialised papers, finished leather and leather products, synthetic yarn and fabrics, glass sheet and small tools.

Both sides noted that though bilateral trade flows had increased in recent years, these were very small compared with the overall external trade of the two countries.

It was noted in the minutes that balance of trade was unfavourable for Bangladesh and her exports to Korea was limited to only a few items. Both sides stressed the need for expanding and diversifying the two-way trade.

In this context, the Bangladesh side suggested that volume of exports of the existing items be increased and offered to supply to Korea jute carpet, jute twine and yarn, newsprint, leather and leather products tobacco, potato, tomato-paste, fruit juice, telephone and electric cables, sanitaryware and furniture.

Bangladesh also stressed the need for signing a special trade arrangement through the state trading companies of the two countries and requested for tariff concession on existing and new items with the Bangkok agreement.

The Korean side observed that the unfavourable trade balance for Bangladesh stemmed from the country's narrow export base and differences in the industrial structures of the two economies.

Both sides felt that implementation of joint venture projects would lead to a more balanced growth of bilateral trade.

The Bangladesh side pointed out that high cost of shipping was a constraint to growth of bilateral trade and proposed most favoured nation treatment to each other.

The Korean side suggested that the present volume of two way trade was small and the issue of most favoured nation treatment would be pursued as the volume of trade grow.

During the talks, the Korean side explained that proposals were under consideration of their government for training of Bangladeshi agricultural scientists civil engineers and trade officials in different Korean institutes. Bangladesh would send specific proposals for technical assistance, it was further agreed.

Besides, the Korean side expressed strong interest in Bangladesh's Third Five Year Plan and offered to associate themselves in various infrastructures and other development project.

At the signing of the agreed minutes, Mr Shin Byong Hyun, the Korean Deputy Prime Minister and leader of the Korean delegation and Mr Sultan Ahmed Chowdhury, the Planning Minister, were presnt.

Earlier yesterday a joint statement was signed between the Federation of Bangladesh Chamber of Commerce and Industry and the korean Chamber of Commerce and Industry to promote trade and business cooperation between the private sectors of the two countries.

The statement was signed by Mr M A Kashem President of the Federation of Bangladesh Chamber of Commerce and Industry and Mr Chung Soo Chang, President of the Korean Chamber of Commerce and Industry.

The statement was made after the first joint meeting of the Bangladesh-Korea joint economic cooperation committee held in Dhaka yesterday.

Joint Economic Commission

Dhaka THE BANGLADESH OBSERVER in English 23 Dec 85 pp 1, 8

[Text]

Bangladesh and South Korea would soon establish a joint economic commission to review progress of bilateral cooperation and identify new areas of collaboration from time to time, Mr. Shin Byong Hyun, South Korean Deputy Prime Minister, said in Dhaka on Sunday reports BSS.

He told reporters prior to his departure after a three-day visit in Dhaka that his mission had a fruitful talks with Bangladesh government noting with optimism that bilateral economic cooperation augurs well for the two countries.

"You have plenty of human resources . . . we have experiences and know-how in development matters and I think the two can combine to go out for mutual benefit Mr. Shin said referring to the "complementarl ness" of the two economies.

In this context, the Korean Minister said that his country was ready to help Bangladesh with technical assistance in the spirit of 'transfer of technology" in all possible ways.

Mr Shin who is also his country's Minister for Planning was leading a 24-member economic mission to Bangladesh that included senior government official and private sector entrepreneurs to explore scope of Dhaka Seoul cooperation.

The visit of the Korean mission was a follow-up to the visit to Seoul last June by President Hussain Mohammad Ershad when the two governments agreed to step up bilateral economic, trade and industrial collaboration.

The South Korean Deputy Prime Minister who left Dhaka for Pakistan on a three-day visit was seen off at the airport by Planning Minister Sultan Ahmed Choudhury, and senior officials of the Planning Commission and different ministries.

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CSO: 4600/1309

PAPER REPORTS DETAILS OF TRADE PACT WITH THAILAND

Dhaka THE BANGLADESH OBSERVER in English 9 Jan 86 pp 1, 10

[Text] Bangladesh and Thailand on Wednesday signed agreed minutes envisaging enlargement of trade volume, reduction of trade imbalances, which are heavily against Bangladesh and cooperation in the areas of industry, technology and marine fishing, reports BSS.

A Bangladesh trade delegation will soon visit Thailand at the invitation of the Thai government to discuss increase of Bangladesh exports with both the Thai private and public sectors.

The signing of the minutes marked the end of the three-day meeting of Bangladesh-Thailand Joint Commission on Cooperation. The two team leaders Additional Foreign Secretary Rezaul Karim and Thai Foreign Ministry Director General Danai Tulalamba addressed a joint conference at the foreign office to announce the decisions.

They said, "We have taken the decisions on which we shall be working together in the future".

During the Joint Commission meeting the Thai Board of Trade and Bangladesh Federation of Chambers of Commerce and Industry set up a Joint Committee to facilitate frequent contacts between the business and industrial communities of the two countries for increased trade, economic and industrial cooperation.

The two countries also agreed on a Special Trading Arrangement (STA) between the Trading Corporation of Bangladesh and the Thai public and private business sectors for boosting Bangladesh's exports to bring down the trade imbalance against Bangladesh.

The two team leaders described the Bangladesh-Thailand relations as "excellent" and their economic and technical cooperation to be within the South-South framework.

The two sides identified the existing lack of contacts between the trading communities of the two countries as the main bottleneck in boosting more direct trade between them.

For the joint ventures the Thai side wanted certain facilities, given to other countries, like agreements providing for the promotion and protection of investments and avoidance of double taxation.

The Bangladesh side, agree to negotiate on the two points. The two sides identified agriculture, rural development, marine fisheries, livestock development, health and telecommunications as the areas for technical cooperation.

Thailand wanted to gain from Bangladesh expertise in jute and tea processing and also in rural development, public administration and business administration.

The Joint Commission reviewed the aviation agreement under which the airlines of the two countries operate three flights a week each and agreed to explore the possibility of making it four flights a week by each airlines.

Of the three marine fishing joint venture only one is operational and Bangladesh's fish exports to Thailand amounted to Taka six crore last year.

The two sides agreed that there would be no fresh agreement on marine fishing till the completion of the on going survey conducted by FAO and UNDP on marine resources in Bangladesh economic zone in Bay of Bengal.

Mr Tulalamba said the Thai government had enacted a few months back providing for penalty to that fishing companies poaching into other countries waters.

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CSO 4600/1310

PAPER REPORTS TROUBLES IN BANGLADESH ECONOMY

Shortage of Funds

Dhaka THE BANGLADESH OBSERVER in English 23 Dec 85 pp 1, 8

[Text]

The development financial institutions (DFIs) of the country are facing an acute shortage of funds due to their failure to recover huge outstanding and overdue loans amounting to Taka 2983 crore and Taka 1190 crore respectively.

Major portion of the overdues of Taka 1190 crore were accumulated during the Government management of most of the defaulting industrial units Bangladesh Shilpa Bank Bangladesh Shilpa Rin Sangstha and Bangladesh Krishi Bank alleged by did not make any serious effort during the Government management of the industrial units to recover the outstanding loans.

According to legal opinion, the overdue loans of these DFIs have become barred under the Limitations Act. According to this Act the dues to a borrower get lapsed after three years of its maturity. It is the responsibility of the banks to take legal action or any other measure to recover the loan within that specified period incorporated in Limitations Act.

The financial circles opine that a special commission should be set up to investigate into such legal lapses of these institutions and to find out who are responsible for this huge amount of stuck-up loans. Meanwhile, the Government has set up a committee to look into the affairs of these DFIs including the recovery problem.

When contacted sources in the DFIs said the banks are not barred from claiming the overdues as the borrowers were given the timely notices and reminders and they acknowledged their liabilities. Under the situation the question of the loan being lapsed under Limitations Act does not arise, the source further confirmed. Another source said the long-term loans do not lapse under any situation.

Left-overs of nationalisation

It may be mentioned here that after liberation the then Government nationalised major industries like jute, textile and sugar and declared hundreds of small and medium industries abandoned. Under the public sector most of these units were subjected to plunder by the novice managers appointed from among the party cadres and bureaucrats during the period 1972 and 1976. Under the inefficient management of these units the Government had to pay huge subsidies, besides accumulating the loan liabilities.

The Government took over all the assets and liabilities of these units at the time of nationalisation. Hence it was the responsibility of the Government to ensure the repayment of the accumulated loans. Instead of doing that, the Government passed on to the private owners all the liabilities forcibly when these units were denationalised or disinvested. Under the Limitations Act, as claimed by senior legal experts of the country major portion of the overdues in industrial sector have already lapsed and the banks have no legal right to claim these money from the borowers.

It is learnt that the private sector owners who were forced to take the liabilities of the units accumulated during the Government management will make representation to the committee which has started its work to look into the legal aspects and the recovery problem.

A source in the DFIs told this correspondent that after formation of the committee, the repayment of loans has suddenly stopped. The borrowers told the DFIs that the committee would look into the legal aspect of loan recovery.

The total outstanding loan of Bangladesh Shilpa Bank stands at Taka 572 crore at present and the overdues amount to Taka 219 crore. The recovery rate is very poor. The total recovery till June 30, 1985 during the fiscal year 1984—85 was Taka 36.82 crore. The recovery was Taka 34 crore in the previous year. The recovery of outstanding loan is only Taka 11 crore in last six months. The borrowers will get a relief of Taka 20 crore under EFAS (Exchange Rate Fluctuation Absorption Scheme). The outstanding loan of BSRS is now about Taka 675 crore and the overdues are

over Taka 300 crore. The recovery during the last financial year was Taka 27 crore and till December this year the recovery is only Taka 8 crore. The impact of EFAS has not yet been finally calculated.

The outstanding loan of Bangladesh Krishi Bank comes to Taka 1736 crore and the over dues stood at Taka 667 crore in November last. The recovery rate during the Second Five-Year Plan dropped from 36 per cent to 21 per cent.

Failure To Implement Projects

Dhaka THE BANGLADESH OBSERVER in English 29 Dec 85 p 1

[Text]

Overall resource constraint particularly inadequate availability of foreign exchange stalled the implementation of 4017 industrial projects in the private sector duing the Second-Five Year Plan. In the Second Plan period altogether 197.35 million US dollars were made available to Bangladesh Shilpa Bank, Bangladesh Shilpa Rin Sangstha Bangladesh Krishi Bank and other commercial banks for financing the industrial projects in the private sector which was only 25 per cent of the total requirement.

A report submitted by a committee on industrial finance in September last stated that during the Second Five-Year Plan a total of 7068 industrial projects with a total investment cost of Taka 1938.9 crore including 910 crore foreign exchange were sanctioned in the private sector. Out of 7068 projects 3051 projects constituting 42 per cent of the total were implemented with an investment of Taka 897 crore. In this actual letel of implementation BSB's contribution was only 103 units with an investment of Taka 125.6 crore, BSRS implemented 38 units with Taka 79.5 crore and other commercial banks 157 units with a total cost of Taka 12.4 crore. Industrial units sanctioned by the Director General of Industries and implemented in this period stood at 1366 with a total investment of Taka 505 crore. During the plan period Investment Corporation of Bangladesh (ICB) provided only Taka 5.1 crore as bridge finance and equity support. In the total materialised industrial investment in private sector the sponsor's contribution amounted to Taka 197 crore which constitutes 22 per cent of the total investment.

The committee noted that taking into account 15 per cent equity finance by ICB, seven and a half per cent leaving as working capital the sponsors' share in investment actually comes to only seven and a half per cent. The committee further stated if the project cost in general and invoices in particular are inflated, sponsors' actual contribution is negative.

The committee noted that the so-called self-financed projects made mostly in the free sector in most cases included term loans from the commercial banks The committee noted with concern the inadequate availability of foreign exchange. Unless an adequate quantum of foreign exchange resources is made available now and a consistent policy is taken to develop domestic technology to reduce the dependence on foreign capital goods import in the long run, weakness on this count will continue to exert an immers on effect on the industrialisation process.

The committee, however, did not specify the areas where the domestic capital goods are available and the banks are not compelling the entreprenours to buy them. To cite an example, there are 26 engineering industries which claim to produce quality powerlooms to match the standard of Pakistani or Indian looms. These manufacturing units are facing problem in selling their products. These looms are available with local currency. There are possibilities of developing many such areas thereby reducing the dependence on foreign capital goods.

Time, Cost Targets Exceeded

Dhaka THE BANGLADESH OBSERVER in English 28 Dec 85 pp 1, 8

[Text]

Two hundred and ninety nine projects under different Ministries and organisations, which have exceeded the time and cost much beyond the target, have been identified as "sick projects." The rate of progress of 97 projects included in the Annual Development Programme of 1985—86, is less than 50 per cent, revealed a recently prepared evaluation report of the Planning Ministry.

Of the total sick projects, 259 could not be complete within the stipulated time. These projects have become time barred varying between one to five years while 30 projects between six to 10 years. Nine of the projects have become time barred varying between 11—15 years while one project is limping for over 16 years, the findings revealed.

Of the total sick projects, 88 have become 100 per cent cost over run while 15 projects have become 200 per cent cost over run. Seven projects have become 400 per cent cost over run while another seven have become 300 per cent cost over run.

Of the total projects, eight have become cost over run by even more than 800 per cent, the findings revealed. Seven other projects have become cost over run by between 500 and 700 per cent.

When the projects exceed cost it creates adverse economic impact and the viability is seriously hampered, it noted. If the projects become time over run in addition to cost escalation of the projects, the process of the country's development activities is delayed hampering other projects interlinked with them, the report observed.

The sick projects include establishment of the centre for appropriate technology establishment of wheat research centre, agricultural research centre at Chittagong Hill tracts, setting up of a centre for paddy research and training, establishment of three farms for cotton seed multiplication, centre for production of seed potato, collection and distribution, centre for production of cereal seed and multiplication development of forest expansion scheme, survey of forestry resource of Chittagong and Chittagong Hill Tracts construction of a 800-ton capacity steel made silo godown, greater Khulna power distribution project greater Rajshahi power distribution project, power distribution project for western zone, expansion of Ghorasal 210 megawatt thermal power station, Ishwardi—Shahjadpur 132 K.V. line, establishment of Savar atomic energy research centre establishment of small telephone exchanges in rural areas, setting up of automatic telephone exchanges in place of manual exchanges, construction of post offices and accommodation for postmasters, establishment of Islamic cultural centre and evaluation of rural industrial development.

The sick projects also include construction of Ulon-Badda Zoar Shahara road urban housing policy programme and development, oil and gas exploration gas distribution project, distribution of gas in areas falling under greater Titas area, distribution of gas in Sylhet tea gardens, Joypurhat cement and limestone project, permanent port on the bank of Pashur, re-excavation of six dead rivers, major overhauling of BIWTA vessels, pisciculture development project livestock development project, establishment of poultry farms in the districts and expansion of the existing farms, fertilizer transportation project, procurement of passenger vehicles, development of women's physical training centre in Dhaka, development of Jatiya Text Book Board and national curriculum and Palash urea fertilizer factory.

Some examples of poor rate of progress of some of the sick projects are as follows :—
the total progress of the wheat research centre started in 1975 is only 57 per cent while the progress of the centre of appropriate technology (1980—85) is only 19 per cent.

The total progress of afforestation scheme of unclassified forestry at Chittagong Hill Tracts (81—85) 34 per cent. the accumulated progress of the greater Khulna power distribution project 1978—81) is 45 per cent. Similarly the progress of greater Rajshahi power distribution (1980—85) is only 23 per cent. The progress of establishment of digital electronic exchange (1982—85) is only 3 per cent during the plan period.

The accumulated progress of Joypurhat limestone and cement project (1969—83) is only six per cent while the progress of Madhyhapara hard rock mineral project (1978—83) is only 11 per cent during the second five year (SFYP) plan period.

The accumulated progress of major overhauling of BIWTA vehicles (1982—85) is only 23 per cent during the SFYP plan period. The progress of construction of the head office of Bangladesh Shipping Corporation (1982—85) is only 5 per cent during the plan period.

The progress of the project of transfer of technological know how (1983—85) is only two per cent. The progress of Chittagong urea fertilizer factory project (1981—85) is only 7 per cent The accumulated progress of the National Text Book Board and National Curriculam Development (1980—84) is 20 per cent The progress of the expansion of Eastern Cables (1983—85) is only 13 per cent during the SFYP plan period. The progress of Panchbibi Textile Mills (1981—83) is only 2 per cent within the plan period.

Industrial Output Declines

Dhaka THE BANGLADESH OBSERVER in English 7 Jan 86 pp 1, 8

[Text]

The Metropolitan Chamber of Commerce and Industry (MCC &I) representing the country's leading private sector investor groups, has expressed its grave concern over the steady deterioration of the overall economic situation.

The MCC&I at a meeting on Monday with its President Mr. M. R. Siddiqui in the chair reviewed the economic activities over the first six months of the current fiscal year (1985—86) and called for positive fiscal and other moves by the Government to help retrieve the situation. New investment activities in the private sector will come to a standstill if the depreciated Taka, high inflationary rate and labour unrest foreshadow the country's economic scenario over the coming months it felt.

Mr M. R. Siddiqui told this correspondent that the economy was taking a nose-dive. There is already a severe cut in real public sector development activities at a time when private investors are getting increasingly worried over the developments on the economic front over the last six months, he said.

The Metropolitan Chamber chief expressed his grave concern over the labour unrest in particular and noted that there was not only a great loss of production but also a substantial disruption to export shipments particularly in jute sector following the unrest over the last few days. He stressed that the Government must ensure labour discipline, otherwise there would be serious distortions in the economy threatening its growth potentials. 'Demands for wages and other benefits must be in accordance with the statutory provisions through collective bargaining' he observed.

Meanwhile the MCC & I's review of economic situation during the first six months of the current fiscal year showed a sluggish performance in industrial production import operations and export trade. Industrial production in major sectors like jute and textiles which together account for about 50 per cent of manufacturing output registered a marked decline.

In the jute industrial sector output stood at 1.75 lakh metric tons (MT) during July-October '85 compared to 1.86 lakh MT during the corresponding period last year. This indicated a decline in production by six per cent. The jute industry according to the MCC & I is passing through a critical period of shrinking demand and depleting prices. The output of this sector is likely to decline further in the coming months in view of increasing labour unrest and indiscipline, the MCC & I noted.

In the cotton textiles the mills the MCC & I review shows are facing serious marketing constraints due to stockpiling of unsold goods. In public sector mills under Bangladesh Textile Mills Corporation (BTMC) alone production during July-October 1985 decreased by four per cent to 148.48 lakh yards from 154.07 lakh yards in the same period of 1984. BTMC sold 102.42 lakh lbs of yarn during the period under report compared to 158.30 lakh lbs during the same months of last year showing a decline of 35.30 per cent the sales of cloth decreased by 16.67 per cent in 123.21 lakh yards from 147.88 lakh yards. While production and sales performance faltered finished goods inventory in BTMC mills increased at an alarming rate. The stock of yarn rose by 769.22 per cent and that of cloth by 111.58 per cent during July-October period 1985 compared to those of the corresponding period last year.

Widespread smuggling of textiles, yarn

The cotton textile mills in the private sector have also come under similiar operational constraints to those of BTMC. The sector according to the MCC & I has been the worst affected one by the widespread smuggling of textile and yarn.

In the exports sector the overall earnings amounted to Taka 1030.78 crore during July-November '85 as against Taka 972.44 crore in the same period in 1984. Though the export earnings in terms of Taka grew by six per cent the same in US dollar terms declined by about seven per cent.

The raw jute exports in terms of volume rose by 9.4 per cent during the period under report but export earnings from raw jute declined by 18.56 per cent as a result of 21.19 per cent fall in unit price. Jute goods in terms of quantity and value declined by 9.61 and 8.58 per

cent respectively. The unit price of jute goods in terms of Taka was 1.14 per cent higher but in terms of dollar the unit price was about 13 per cent lower during July-November '85 compared to the corresponding period last year.

Tea exports in terms of quantity increased by 21.89 per cent during the period under report compared to that of the corresponding period last year. The export receipts from tea however declined by 35.48 per cent due to 47.04 per cent fall in unit price. In frozen food the performance was somewhat promising with an increase in export volume by 19.99 per cent and in export value by 38.22 per cent. The unit price of frozen food in Tk. terms was 15.50 per cent higher. Leather exports in terms of quantity declined by 5.78 per cent though the earnings in value terms rose by 10.78 per cent due to 17.59 per cent increase in its unit price.

The export of ready-made garments in terms of Tk. during July-November '85 rose by 117.09 per cent over the corresponding period last year. But the MCC&I review noted that the export of garments was likely to be affected in the coming months due to delayed administration of quota.

Reduced export earnings in US dollar during the first five months of the current fiscal year (1985—86) will according to the MCC&I cause further deterioration of the country's balance of payments situation.

Shortfall in import performance

In the import sector there was a widespread shortfall in overall performance. The MCC&I felt that the shortfall indicated a downswing in economic activities During July-November 1985 the value of Letters of Credits (LCs) opened amounted to Tk. 1309.77 crore compared to Tk. 1999.70 crore in the corresponding period of 1984. The import shortfall in US dollar terms will still be higher if the rate of depreciation of Tk. is taken into account. The MCC&I pointed out that lesser import particularly by the industrial sector entac ga8&fi etao hrd hremf would not be conducive for achieving the industrial growth target of 7.5 per cent for the year. 'The impact of the widespread decline in import activities in the economy within its existing production structure has wide range of implications' the chamber noted.

Consumer Price Index up by 10 p.c.

The MCC&I in its review estimated that the Consumer Price Index (CPI) during the 12 months ending November 1985 increased by ten per cent but the general increase in price was higher than the CPI.

According to the Metropolitan Chamber, the most unsatisfactory trend in the country's economic situation was reflected in exchange rate depreciation of Tk. by about 19 per cent over the last one year (January-December '85) and by about 11 per cent over the last six months (July-December '85. "The immediate casualty of Tk depreciation will be the future investors and general consumers For the investors it will be difficult to absorb increased capital cost. This will be another handicap for diversifying the industrial base in the country" according to the Metropolitan Chamber

About the foreign exchange reserve position the Chamber pointed out in its review that the reserves which amounted to 372.98 million US dollar in June '85 declined to 255.55 million US dollar in November '85 notwithstanding the fact that workers remittances stood at a higher figure at 232 million US dollar during July-November '85 compared to 180 million US dollar during the corresponding period last year. "Reserve position decreased possibly due to unsatisfactory export performance and reduction in foreign assistance flows" the MCC&I felt.

/9274
CSO: 4600/1309

IRAN

RELIGIOUS LEADER REPORTS PERSECUTION OF BAHA'IS

AU141643 Paris AFP in English 1633 GMT 14 Jan 86

[Text] Bonn, West Germany, 14 Jan (AFP)--Iran's 300,000 members of the Baha'i religion are increasingly persecuted in the Islamic state, where they are seen as heretics, a Baha'i community leader here said.

Christopher Sprung told a press conference that members of the community, those religion began in Iran in the 10th century and stresses the spiritual unity of mankind, were increasingly denied their rights and treated as "non-persons".

He said 176 Baha'is had been executed and 767 were in jail, on charges including "espionage, zionism, drug-dealing and prostitution."

A former prisoner who asked not to be named said Baha'is were systematically tortured in prison to make them renounce their faith. [words indistinct] in southern Iran, 22 of whom were executed.

Mr Spring, who said Iran used the community as a "scapegoat" for its problems, said the Islamic constitution recognized the Jewish, Christian and Zoroastrian faiths but excluded "Baha'ism".

He produced an official document recording the sacking of 472 oil ministry employees "members of a strayed group of Baha'is, pronounced heretics to Islam by a unanimous verdict of Moslems."

Baha'ism, which originated among Shia Moslems in Iran, has 4.5 million faithful in 140 countries, and is based in Haifa, Israel.

/9738
CSO: 4600/197

IRAN

LEBANESE OFFICIAL TERMS LEBANON'S POLITICAL SYSTEM 'ARCHAIC'

LD010751 Tehran IRNA in English 0745 GMT 1 Feb 86

[Text] Tehran, 1 Feb (IRNA)--Vice-President of Lebanon's Supreme Shi'ite Assembly, Shaykh Muhammad Mahdi Shams al-Din said here Friday that Lebanon's present system which is characterized by factionalism cannot survive and that any attempt to prolong its reign will be defeated.

Speaking at the third session of the 3-day Islamic Thought Conference, Shaykh Shams al-Din said that he opposed any plan which aimed at propping up Lebanon's present archaic system. He called for the destruction of the outdated system with one representative of the true aspirations of all Lebanese.

He told reporters in an interview at the conference that Lebanon is not comprised of 18 tribes but consists of four million people, therefore the ruling regime should be one serving the interests of the majority.

Stressing the need for unity among Islamic movements in Lebanon, he said that these movements ought to achieve their political objectives through coordination and by forming an Islamic front, with each maintaining its unique identity but working for the good of the whole.

Islamic movement involves two major tasks in Lebanon, he said, noting that the political task seeks to define the nature of the struggle against the ruling regime and attempts to change it and the other is to resist Zionist aggression.

The objectives of the Jerusalem occupying regime in invading and occupying south Lebanon is to maintain an atmosphere of tension and disunity among the Lebanese. He said it also seeks to dominate the current regime's politics by propping up a friendly regime, as well as to control the country's economy, and exploit the various factions such as Shi'ite, Sunni, Christian, and Maronite.

On the role of Syria in Lebanon, he said that its involvement at the present time was necessary. He said that he supports efforts to end the presidency of Amin al-Jumayyil.

Shams al-Din said that Islamic principles which had been forgotten was revived by the Islamic revolution of Iran and the Islamic Republic. He said that the Muslim peoples who saw the practical adoptation of Islamic principles in Iran during the Islamic revolution were impressed.

The Islamic revolution has a positive influence on even non-Muslims who do not know Islam and have distorted views about it, he said.

He added that the Islamic Republic's support for global liberation movements have strengthened them.

The resistance of the Islamic Republic in the Iraqi imposed war despite the massive assistance rendered to Baghdad by the U.S. and other powers has inspired all freedom loving people of the world and has encouraged them to resist plots of colonialist powers, he added.

He termed the effects of the Islamic revolution as very considerable and said that since the majority of southern Lebanese are Shi'ite, the influence on them is even greater. He added that Islamic activities in Lebanon increased after the victory of the Islamic revolution and changed both in quality and the quantity.

The Islamic Republic and the Islamic revolution has and will play a pivotal role in encouraging Islamic activities in Lebanon, Shams al-Din said.

/9738
CSO: 4600/198

IRAN

BILL FOR COLLECTION OF CHARGES FROM TRAVELERS APPROVED

Tehran KEYHAN in Persian 9 Nov 85 p 17

[Text] The next item on the agenda of the session was the bill on the collection of charges from applicants for participation in group sightseeing and pilgrimage tours going abroad, which was studied and discussed in the presence of the members of the Council of Guardians.

Dari-Najafabadi, the spokesman of the plan and budget committee, explained about this bill and said: This bill, which was referred to the main committee, was ratified in the open session on 13/4/64 [4 July 1985] as top priority and on 16/4/64 [7 July 1985] it was ratified in this committee in the presence of the government representatives and concerned experts with some amendments.

He said: The main part of this bill concerns the '64 [21 March 1985-20 March 1986] budget notes. One of the '64 [1985-86] budget notes was proposed as revenue notes and was ratified by both the budget committee and the Majlis. Thus it was sent to the honorable Council of Guardians. They said that 2,500 rials should be collected from every applicant who wants to participate in the group sightseeing and pilgrimage tours and to spend 50 percent of this amount in connection with activities and preparing brochures, pictures and service resources for these tours. In the honorable Council of Guardians, several notes were rejected because they require special laws. Hence, it was presented to the Majlis as a single article. The single article states that the Ministry of Islamic Guidance is responsible from the date of the issuance of this law for collecting 10,000 rials from every participant in the sightseeing and pilgrimage tour groups going abroad, which is to be deposited in the general treasury.

Karimi-Marandi spoke as the opponent to this bill and said: Instead of offering essential and fundamental bills to the Majlis which would eliminate the needs of the society and the country, now it brings a bill to the Majlis to collect 10,000 rials from the sightseeing and pilgrimage tours. In my opinion, it is better for the government to offer more needed bills. Collecting such charges from sightseeing and pilgrimage tours is meaningless. And if an applicant pays such charges, can it respond to the problems in this area?

As the supporter of the bill, Mostafa Naseri said: There is no ambiguity in this bill. When the bill was raised in the Majlis, much discussion took place and the representatives voted in agreement. In response to the honorable opponent, I must say that not all the shortages, problems and lack of attention are results of a lack of laws. In certain areas, we have no laws or have imperfect laws. Firstly, one of the duties of the government is to prepare essential bills and one of the duties of the Supreme Judicial Council is to prepare and offer essential bills to the Majlis. Furthermore, if we accept that one of the ways to export the revolution is through these sightseeing and pilgrimage groups, certainly we must ratify this bill in order to give a free hand to the Ministry of Islamic Guidance in this regard.

Announcement of Recess

At 10:30 the open session of the Majlis went into recess.

At 11:10, once again the open session of the Majlis was held, presided over by Hojjat ol-Eslam Mohammad Yazdi, the deputy speaker of the Majlis, and studies were continued on the bill for collecting charges from the applicants for sightseeing and pilgrimage tours, and the supporters and opponents of the bill spoke.

Hoseyn Harati was the next opponent to the bill, who said: In connection with traveling abroad, this will be the third tax and duty that we are establishing. In other words, 50,000 rials for leaving the country and then again 100,000 rials. Later, we had airport taxes, and this is the third charge that we are establishing.

Furthermore, given the direction of this bill, it will by no means gain the revenues that we want. It is merely pressuring the sightseeing and pilgrimage groups. We must provide the grounds for sightseeing groups to become interested in moving along with the sightseeing and pilgrimage tours to ensure that there will be no corruption and deviation. On the contrary, you have made exceptions of those same groups that we can be constructive in. Hence, I believe that the Ministry of Guidance should recall this bill and place the emphasis on the individual groups.

In support, Ya'qubi said: Those who go on sightseeing and pilgrimage tours are usually wealthy and middle class people who must pay for the expenditures that they incur rather than the treasury paying the expenditures. Considering the services that are provided by the Ministry of Guidance, it is not unfair to them at all and I agree that this amount must be collected.

Another opponent was Hamidi, who said: The goal that this bill follows is to guide the travelers, which is a holy goal that no one opposes. My opposition and that of the accounting committee is based on essential and fundamental arguments in regulating the budget. A sound budget is a budget in which the revenues are concentrated in one place. Some of the government organizations such as the customs or the Ministry of Finance have allocated something for themselves. What is it that education must do which does not involve money?

Hence it is unhealthy for every organization to allocate an amount to itself. This will disturb the situation of the budget and I oppose it.

In support of the bill, Afrazideh said: What would be wrong with these people who go in groups for sightseeing and pilgrimages paying an amount of money for the expenses of these tours? I do not agree with the Ministry of Guidance spending 20 percent which is not considered part of the accounting, but I agree to collecting 10,000 rials in the interest of the government and the country and I do not think that it will harm the people who go on such trips.

Then Ahmadvand and Mohammad 'Ali 'Arabi spoke as the opponent and supporter of this bill and the speaker of the committee and the representatives provided some explanations and expressed their views.

Then the general points of the bill on collecting charges from applicants for participation in the group sightseeing and pilgrimage tours going abroad was put to a vote and ratified.

In the conclusion of the session, a proposal was received from the representatives as follows:

Legislative proposal to amend Article 6 of the urban land reform ratified on 27/12/60 [18 March 1982] by the Majlis.

The open session of the Majlis ended at 12 noon and the next session was set for tomorrow, Sunday, at 8 am.

10,000
CSO: 4640/127

STATE OF TRADE, ECONOMY, AGRICULTURE, TRANSPORT DETAILED

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 14 Dec 85 pp 30-36, 38-42, 44-52

[Article by Vahe Petrossian]

[Text]

THE Friday prayer crowds still appear in their hundreds of thousands in Tehran and other cities, the economy moves at a steady pace, the sense of social stability is greater than it ever was – nevertheless the seven-year-old Iranian revolution shows signs of premature ageing.

The revolution has established a firm hold on power after the turmoil of its first three years. It has beaten back all its overt internal enemies. Now it seems to be marking time, pending a breakthrough in the Gulf war and the fresh start that will follow. There is a sense of unease in Iran at the way the revolution has lost its spark, has become routine. A number of disturbing trends are apparent.

Wrangles and infighting in the government and legislature characterised 1985. Inconclusive legislative battles continue over issues such as land reform, the nationalisation of foreign trade and the general question of state versus private control of the economy.

As recently as November the government had to withdraw two bills – on the procurement and distribution of goods, and on private sector freedoms – after the *majlis* (parliament) had amended them out of all recognition. The second bill had 117 changes made at committee stage in order to satisfy the conservative 12-member Council of Constitutional Guardians.

The president backs down

In autumn 1985 President Khamenei seemed intent on bucking Imam Khomeini's "advice" that Prime Minister Hossain Moussavi be retained for a second term. At first the president appeared determined to change prime ministers and, when "forced" to reappoint Moussavi, seemed equally set on dictating the choice of cabinet ministers. This set off what appeared to be a political and constitutional crisis.

Moussavi won the battle of wills, enhancing his stature and perhaps improving his hitherto lacklustre image as an uncharismatic technocrat. The prestige of the presidency was diminished, though much of the damage was undone by public smiles and handshakes all round.

Some saw the confrontation as part of the broader battle over the direction of the revolution. Khamenei was seen as the leader of a resurgent rightwing movement for the laissez-faire capitalism of the powerful bazaaris and conservative leaders. He was also seen as acting in response to public disenchantment with a colourless administration.

Ultimately, however, it seemed more a case of personalities and pride: the president is the only directly elected public official, yet has little say in the running of the country. Khamenei was believed to resent

[Boxed item on p 32]

GOVERNMENT OF IRAN

Head of State President Ali Khamenei

Cabinet

Prime Minister Hossain Moussavi
Oil Gholamreza Aqazadeh
Foreign Affairs Ali Akbar Velayati
Agriculture & Rural Affairs Abbas Ali Zali
Commerce Hassan Abedi Jaafari
Economy & Finance Vacant
Energy Mohammad Taqi-Banki
Roads & Transport Mohammad Saeedi Kya
Construction Crusade Bijan Namdar Zanganeh
Heavy Industries Behzad Nabavi
Industries Gholamreza Shafei
Mines & Metals Vacant
Housing Serajeddin Kazerouni
Labour Abolqassem Sarhadizadeh
Posts, Telephones & Telegraphs Mohammad Gharazi
Health Ali Reza Marandi
Education Mohammad Akrami
Culture & Higher Education Mohammad Farhadi
Interior Hojatoleslam Ali Akbar Mohtashemi
Justice Hassan Habibi
Islamic Revolution Guards Corps Mohsen Rafiqdust
Information Mohammadi Reyshahri
Islamic Guidance Mohammad Khatami
Plan & Budget Organisation Massoud Roghani Zanjani
Defence Colonel Mohammad Hussein Jalali

his inability to translate his electoral mandate into real political power. (Some unkind critics said he was suffering from the "Bani-Sadr syndrome" – a reference to Abolhassan Bani-Sadr, who rose to the presidency in early 1980 on Khomeini's shoulders, came to believe he was the most popular and powerful leader in Iran, and launched an abortive challenge against Khomeini himself.)

These developments have caused concern but they hardly pose a threat to the establishment that has evolved since the overthrow of the Shah. Far more crucial and insidious is the partial takeover of the administrative machine by cynical and obstructive bureaucrats, and the emergence of a subculture of corrupt civil servants and businessmen.

Contrary to general belief, post-revolution purges were relatively modest in most areas of Iran: much of the Shah's hidebound and corrupt bureaucracy was left in place. These people, along with a new generation shaped in their image, are gnawing at the system from within, damaging the revolution far more effectively than the Islamic republic's other enemies.

It is difficult to say whether there is more or less corruption now than before the revolution. It is not as widespread as the republic's critics and many foreign businessmen claim, and there is certainly no evidence that cabinet ministers are directly involved. There is no doubt though that corruption affects most people in one way or another, whether through the diversion of goods to the black market, or in difficulties in dealing with officials.

The nature of corruption is more alarming than its extent. There is the suspicion that religious leaders and government ministers may have inadvertently built corruption into the system. It is said, for example, that in their desire to foster competition and cut costs, government agencies regard tendering deadlines as negotiable: instead of closing the bidding on the day bids are opened, they will accept further proposals that promise a better deal. This disregard of conventional tendering procedures results in post-bidding negotiations and opens the door to bribery of officials.

Black market sanctioned

Allowing an "official" black market to exist alongside the strictly controlled rationed-coupon system was similarly well-intentioned: the aim was to soften the impact of wartime controls. Some argue that an illegal black market would have sprung up anyway, with far more devastating effects. Nevertheless, officials are in the position of having sanctioned a system which supplies the rich with luxuries denied the rest of the population, and which siphons off goods from the official market. One result is that while there are sporadic shortages of some goods in the official market, the black market always seems generously supplied.

The average shopper who, for example, cannot find eggs in coupon shops, cannot but wonder at the truckloads of eggs being sold at higher prices off the backs of pick-up trucks in the streets. The obvious question is how did they find their way onto the black market and who in officialdom profited

thereby. It is not a question that a revolution concerned with redistribution of wealth and the well-being of the poor can afford to ignore.

The Iranian revolution does not fit the traditional revolutionary mould. Islam's respect for private property and its concern for order have tempered many populist excesses. Arbitrary arrests and harassment are no longer the problem they once were. Despite opposition claims, prison conditions have improved significantly in the past two years and political executions are increasingly rare. The middle classes, religious minorities and people in some regions such as the Caspian Sea coast resent the way religious police try to enforce observance of Islamic dress, but this is hardly a preoccupation for the great majority.

Yet it is precisely the pragmatic aspects of the system that have provided a potential breeding ground for abuse by opportunists. Islam also forbids excessive accumulation of wealth – but in practice the limits are not easily defined.

Complicating the matter in Iran is the tradition among religious leaders of dabbling in business, usually as part of their duties in raising charitable funds. Religious leaders who involve themselves in business for this purpose may unwittingly contribute to the general laxity of standards. A local critic explains: "The line between legitimate business and corruption can be very thin. What the cleric-businessman fails to see is that the revolution has transformed everything and given him immense influence – and when he does any business he is unwittingly peddling influence."

One well-known government-created national educational organisation, for example, is financially dependent on student fees and donations. To raise money, it has gone into partnership with a businessman. The deal was arranged by one of the organisation's senior officials, a young religious leader who is scrupulous about not making personal profit out of the revolution. It is an enterprising arrangement which will benefit his organisation: however, he and his superiors may henceforth be suspected of using their considerable influence in the establishment to push contracts to their business partner.

Senior religious figures in the establishment are generally considered beyond reproach. The same cannot be said for sons and relatives, some of whom are peddling their family names. The extent of such activity is difficult to gauge, but increasing public awareness of the issue is reflecting on some officials' credibility.

In summer 1985 disputes over property decisions made by religious courts indirectly revealed the ambiguities of the establishment's position. As part of the government's efforts to create greater security of ownership and to undo unjust revolutionary confiscations, judges issued a series of decisions in favour of former landlords.

Among them, apparently, were several landlords on the proscribed list; others used the court orders to repossess school buildings, expel the school authorities and destroy the buildings on the valuable lots. An outraged press and public forced the prosecutor-general to step in to reverse the court decision – and arrest some of the judges.

One result of the reversal of the courts' decisions was that property prices dropped by 25 per cent overnight. Rents shot up. What is still unexplained is why the judicial authorities tolerated the situation for so long, when it clearly ran counter to majority opinion.

GOVERNMENT BUDGET, 1985/86-1986/87*

(IR '000 million)

	1985/86	**1986/87**
General revenues	*3,780.4*	*3,574.7*
Taxes	1,138.2	1,169.8
Oil	1,867.0	1,600.0
Foreign exchange sales	119.0	111.0
Other	396.3	424.2
Special income	259.9	269.7
Deficit finance	*354.4*	*475.0*
Domestic loans	200.0	390.0
Balance from previous year	154.4	85.0
Total revenues	**4,134.8**	**4,049.7**
Expenditure	*3,874.9*	*3,780.0*
Fixed investment	1,085.8	949.2
War reconstruction	50.0	35.0
Current expenditure	2,305.3	2,341.3
Repayment of foreign loans	33.8	24.5
War expenditure	400.0	430.0
From special income	*259.9*	*269.7*
Total expenditure	**4,134.8**	**4,049.7**

* Solar hijra years 1364-65
Exchange rate: $1 = IR 95

Source: Islamic Republic News Agency

There are, of course, many dedicated people throughout the Iranian system, including volunteers who work for little or no reward, helping with development and social projects, and in the war effort. Among the masses of religious people, particularly in rural areas, support for the authorities is solid and impressive. But grumbling, mostly in the cities, has been getting louder every year. The open and fearless manner in which it is expressed cannot simply be attributed to official tolerance: it is a sign also of the sense of drift and unease that is increasingly pervasive.

The revolution's inability so far to score a clear-cut victory in the Gulf war has much to do with this dampening of self-confidence. The war is preventing long-term planning and opening the way to opportunists and grumblers. If it drags on very much longer, the Islamic republic risks falling victim to sharp businessmen and none-too-scrupulous bureaucrats.

WHOLESALE & RETAIL COST OF LIVING INDEX IN URBAN AREAS, 1974/75-1984/85

	Wholesale		Retail	
Year	**Index**	**% change on previous year**	**Index**	**% change on previous year**
1353 (1974/75)	100.0	17.0	100.0	15.5
1356 (1977/78)	136.9	14.6	160.2	25.1
1361 (1982/83)	318.1	13.7	355.2	19.2
1362 (1983/84)	358.0	12.5	418.2	17.7
1363 (1984/85)	385.3	7.6	462.2	10.6

Source: Bank Markazi

ASSETS & LIABILITIES OF BANKING SYSTEM, 1982/83-1984/85*

(IR '000 million)

	1982/83	1983/84	% growth
Bank credits to private sector	**3,484.9**	**4,256.6**	**22.1**
Commercial banks	2,324.9	2,819.2	21.3
Specialised banks	1,160.0	1,437.4	23.9
Private sector deposits	**4,708.1**	**5,600.1**	**18.9**
Sight	1,841.3	2,013.5	9.4
Savings	2,185.8	2,737.3	25.2
Time	681.0	849.3	24.7
Notes and coins in circulation	**1,642.6**	**1,856.1**	**12.0**
Liquidity	**6,350.7**	**7,456.2**	**17.4**
Money	3,483.9	3,869.6	11.1
Quasi-money	2,866.8	3,586.6	25.1

* Solar hijra years 1361-62
Exchange rates: 1982: $1 = IR 83.602, 1983: $1 = IR 86.358, 1984: $1 = IR 90.030

Source: Bank Markazi

Imports Scaled Down in Quest for 'Balance'

THE once-promising Iranian market has shrunk by a fifth in the past two years. Tehran's tighter import policy and reduced foreign purchasing is forcing its trading partners to lower their expectations — and to try harder. Prospects are unlikely to improve until the Gulf war ends.

Iran's reappraisal and cutbacks are prompted partly by reduced oil revenues, and partly by a desire to diversify and secure markets for its goods. All of Iran's main suppliers are feeling the pinch. Exports of leading suppliers West Germany and Japan, for example, may drop by as much as 30-40 per cent in 1985.

At the most basic level, the new realities for traders are defined by the $16,500 million ceiling on foreign exchange expenditure imposed by the *majlis* (parliament) for the year ending 20 March 1986. The import bill in 1983, the post-revolution boom year, was $22,000 million. In 1984 it was $17,500 million.

"As of 1984, and particularly this year, only cash flow dictates our spending plans," says a senior Bank Markazi (central bank) official. "In other words, we spend only what we are absolutely sure we can earn in any one year." This move is aimed at conserving Iran's foreign exchange reserves which, as Markazi governor Mohsen Nourbakhsh points out, are protected by law.

The powerful Foreign Exchange Allocation Committee oversees foreign exchange spending. Set up two years ago under *majlis* instructions, the committee is chaired by Nourbakhsh and consists of representatives from six ministries. It is in continuous session, scrutinising letters of credit (LCs) and allocating foreign exchange according to ministerial and sectoral quotas.

"If, for example, the steel quota has been filled — no matter by whom — then they freeze all LCs," says the Markazi official. "The committee wields extraordinary power; by a simple decision, it can bring the whole country to a halt." In August 1985, following the first effective Iraqi air raids against the main oil exporting terminal off Kharg island, it seemed to have done just that.

Confidence on cash flow

As a "precautionary" measure, the committee tightened its rules and decided to review all LCs. "There was a monstrous paper jam," says the official, and an effective freeze on import orders. The committee is still using the $16,500 million guideline set by the *majlis* earlier in the year, he adds, so there is no reduction in imports. "The only constraint on LCs is the long queue," which in late 1985 was reportedly down to one month. Imports in the first half of the Iranian year came to $8,000 million.

The government is confident its "cash flow" in the year ending 20 March 1986 will be sufficient to cover the projected imports of $16,500 million. It expects foreign exchange earnings to total $19,500 million, about $17,500 million from oil. If these hopes are realised, Markazi can add $3,000 million to its foreign exchange reserves. In the year ended 20 March 1985, when imports totalled $17,500 million, foreign exchange earnings came to $18,500 million.

At the Commerce Ministry, where overall trade policy is determined, officials have intensified a two-year-old drive to balance trade and boost non-oil exports. Deputy Minister Mojtaba Khosrowtaj describes the task of balancing trade with individual countries as a duty under the 1979 Islamic republic constitution. "We are obliged to correct trade imbalances wherever they occur. Priority in our imports goes to those who buy from us. At the same time, we are obliged to move against those who only want to sell to us."

With Japan, once the single biggest buyer of Iranian crude, there is a special arrangement whereby a two-to-one ratio in favour of Iran is maintained. Japanese imports of Iranian crude dropped from $4,231 million in 1983 to $2,869 million in 1984, and exports to Iran slipped from $2,820 million to $1,692 million. In the first six months of 1985, Japan imported only $1,361 million worth of crude, and its exports plummetted to $504 million.

West Germany and the UK have the largest trade surpluses, and Iranian trade officials have been striving to close the gap. West Germany, which until this year was Iran's main supplier, selling $3,000 million

worth of goods in 1983 and $2,280 million in 1984, faced a precipitous drop in 1985. In the first six months of the year, its exports reached $843 million, indicating a year-end total of about $1,600 million.

However, in mid-year, German Oil Corporation signed a netback deal for 100,000 barrels a day (b/d) of Iranian crude, increasing it in October to 150,000 b/d. German Oil reportedly may want a further 100,000 b/d. The deal pushes Germany's projected imports from Iran to more than $1,500 million for the year ending April 1986, well past the $650 million mark for 1984. West German exports to Iran may thus rise significantly in 1986, and may already have picked up in the second half of 1985.

The UK had a $724 million surplus in 1983. Iranian crude supplies increased to $517 million in 1984 because of the UK coal miners' strike, reducing the deficit to about $480 million. With the end of the miners' strike, the UK imported only $83 million worth of crude in the first nine months of 1985, below even the 1983 level.

British exports to Iran in the first nine months of 1985 were down 16 per cent to $532 million, but compared with the performances of other leading suppliers, the drop in sales was modest. The UK's trade surplus of $454 million in the first nine months indicates a 1985 trade gap almost as big as 1983's.

However, British Petroleum and Shell are lifting 100,000 b/d and 50,000 b/d respectively for third countries and this may help to mollify the Commerce Ministry in Tehran.

IMPORTS BY COUNTRY OF ORIGIN, 1983/84*

('000 tonnes and IR million)

Origin	Weight	Value	% share of total value
West Germany	2,264	301,039	19.02
Japan	1,831	264,213	16.69
UK	449	95,043	6.01
Turkey	845	74,587	4.71
Italy	398	73,320	4.63
South Korea	519	43,947	2.78
Sweden	439	42,979	2.72
Brazil	788	37,168	2.35
Argentina	2,062	36,796	2.32
Belgium	654	36,492	2.31
Netherlands	345	35,298	2.23
Spain	807	33,535	2.12
Switzerland	117	31,145	1.97
Pakistan	558	29,276	1.85
UAE	224	29,267	1.85
Austria	303	28,745	1.82
Romania	738	27,364	1.73
New Zealand	185	26,569	1.68
Australia	1,331	25,513	1.61
France	243	25,418	1.61
Yugoslavia	197	24,939	1.58
Kuwait	97	21,449	1.36
Canada	803	19,819	1.25
Soviet Union	1,108	19,289	1.22
Bulgaria	217	17,471	1.10
Denmark	95	15,347	0.97
Hungary	229	13,604	0.86
East Germany	73	12,899	0.81
India	80	12,173	0.77
Thailand	347	10,320	0.65
Czechoslovakia	97	10,057	0.64
Others	1,750	107,638	6.80
Total	**20,196**	**1,582,719**	**100.00**

* Solar hijra year 1362
Exchange rates: 1983: $1 = IR 86.358; 1984: $1 = IR 90.030

Source: Customs Office, Tehran

Staple Suppliers Find Payment Is No Problem

THE man with $2,500 million to spend is understandably confident: "We don't run after the suppliers. They run after us," says Morteza Movahedizadeh, head of the Government Trading Corporation. GTC is responsible for all Iran's staple food imports, the largest single category of non-military purchases. In 1984/85 it bought food valued at $2,000 million-2,500 million, and it expects to import a similar amount in 1985/86.

GTC has agents posted around the world, mostly at ports, from Argentina to Thailand. They gather the latest market information. It also uses several international inspection companies to check the quality of goods it imports.

Successor to the pre-revolution Foreign Trade Corporation, GTC is supervised by a "general assembly of shareholders" made up of representatives from five government ministries. A six-member council supervises individual purchases. It comprises representatives from GTC, three ministries, Bank Markazi and the client.

Suppliers are chosen according to commercial considerations, says Movahedizadeh, but politics often plays a part: Iran no longer deals with the US, the major source of staple foods before the revolution.

Iran has stopped importing chicken, eggs and fruit in the past two years, and this year GTC plans to reduce wheat imports by about 1 million tonnes. Overall, however, purchases are at about the same level as before the revolution, says Movahedizadeh, because of population growth and the fact that "the average Iranian is now eating better."

About 30 per cent of GTC's business is done by barter, the rest through irrevocable letters of credit. Whatever the form of payment, GTC is one of the few purchasers in Iran with no problems in securing the necessary foreign exchange allocation.

Iranian officials have increasingly resorted to various forms of countertrade in their efforts to redress trade imbalances. Despite reports that most of Iran's trade is now conducted in some form of barter, Bank Markazi and Commerce Ministry officials insist it is no more than about 40 per cent. Even then only about half of that — or 20-25 per cent of total trade — involves barter in the accepted sense. The other half simply involves what the ministry calls "gentlemen's agreements, the use of clearing accounts and so on."

With the departure of former oil minister Mohammad Gharazi in October, all the key ministers now favour barter. Commerce's Khosrowtaj says bluntly that barter is the most important and expedient vehicle for securing markets for Iranian oil and balancing trade. For example, he says, Iran's customers often cite insecurity in the Gulf as a reason for not buying oil: "We are in turn forced to tell them that if they want to sell to us they must buy our oil." Bank Markazi governor Nourbakhsh says that Iran prefers cash, but he and other officials add that, in so far as barter secures long-term customers, it gets priority.

All these factors combined to make Turkey Iran's main supplier in the first few months of the Iranian year which began on 21 March 1985. This prominence is of course artificial in so far as Western suppliers use Turkey's $3,000 million barter agreement with Iran as a "flag of convenience" to secure their own entry to the Iranian market.

Turkey is not the only country to benefit from Iran's need for barter. Austria's Voest-Alpine has a $1,000 million barter arrangement which is open to companies of third countries. Sweden has been increasing its barter deals to cover more than $400 million worth of exports. Spain is also expanding its barter arrangements.

The Commerce Ministry also uses barter as a means of boosting non-oil exports. Sweden's barter, for example, includes about $50 million-worth of Iranian non-oil supplies. Other countries are increasingly coming up against Iranian requests to take non-oil goods in payment.

Finding markets for non-oil products is a government priority. For the first time since the revolution, such exports began to pick up in 1985. In the first five months of the Iranian year, they increased by 17 per cent to about $160 million, indicating an annual total of about $350 million, only $50 million-100 million below the pre-revolution record.

Some officials hope, perhaps optimistically, that non-oil exports can compete with oil exports within five years. More realistic estimates look to 10 or more years before Iran's dependence on oil revenues can be reduced significantly.

The bulk of non-oil exports consists of traditional items like pistachio nuts, carpets, dried fruits and hides. In 1985, there was a shift in the pattern with the export of 105,000 tonnes of phosphate, and of several thousand tonnes of fresh fruit to Gulf countries.

Encouraged by the new capacity to export fruit, the government has introduced incentives allowing exporters to circumvent foreign exchange regulations and keep control of their earnings abroad.

At home, the government is also seeking to give priority to investments in export-oriented industries. However, Khosrowtaj concedes that "we still don't have the proper mechanism in place." One major problem is the cumbersome bureaucracy which, among other things, requires dozens of forms and signatures for each transaction.

Behind the scenes, meanwhile, the debate about the extent of state control over foreign trade continues. The government, pressed by war needs and anxious to prevent accumulation of wealth by a few, wants to maintain maximum possible control of the economy. The great bulk of imports are now handled by the Government Trading Corporation (GTC) and 13 purchasing and distribution centres (PDCs) working under the Ministry of Commerce.

Bazaar merchants and conservative religious leaders have long pushed for a free-market economy in the fullest sense. That is unlikely, especially so long as the Gulf war continues. However, under prodding from Khomeini, the government has in the past two years moved closer to the free marketeers' position.

The free marketeers argue that the government is inefficient and should let businessmen handle what they can do best. In late 1984, the rice market was opened up to the private sector with no adverse effects. Officials readily concede that most things can better be handled by entrepreneurs and insist that only essential items are directly imported by the government. But they point out that the private sector's share of overall trade varies significantly from year to year depending on fluctuations in the government's war needs.

Supervision

Even in peacetime, says Khosrowtaj, the constitution "obliges us to keep absolute supervision over the private sector . . . although, unlike socialist countries, this does not mean direct executive functions. If the war were to end tomorrow, I would not expect any dramatic changes in foreign trade except in so far as non-strategic goods which can be handled by the private sector will make up a bigger percentage of overall imports."

The government's reluctance to let go of the reins, and its opponents' strength, was amply demonstrated in October 1985 by the fate of a commodity procurement and distribution bill in the *majlis* and in the 12-member Council of Constitutional Guardians, which can veto any legislation. Article 2 of the bill, specifying the Commerce Ministry's responsibility for the supply and distribution of all imported goods, was deleted by the *majlis* at the request of the conservative council.

Efforts were made instead to give the Commerce Ministry only nominal control of trade, confining its powers to essential, or strategic, items. Commerce Minister Hassan Abedi Jaafari withdrew the much-modified bill, promising to redraft the legislation for presentation later.

The legal battle will go on for some time. In practice, however, the Ministry of Commerce and its agencies will continue to dominate foreign trade while allowing — perhaps even encouraging — selective private sector involvement.

[Boxed item on p 36]

WHERE GTC BUYS

Barley	Turkey, Australia, EEC
Cooking oil	Brazil, Argentina (sometimes Spain)
Fertiliser	South Korea, Philippines, UAE, Pakistan, Turkey, Romania, Bulgaria, Netherlands
Fishmeal	Peru, Ecuador, Chile (sometimes Scandinavia)
Maize	Argentina
Meat	New Zealand, Australia, Turkey, East Europe, West Germany, Netherlands, Ireland, Uruguay (sometimes Argentina)
Rice	Thailand, Pakistan, Uruguay, Argentina, Surinam
Soya bean meal	Brazil, Argentina
Sugar	Turkey, EEC, Brazil (sometimes Cuba)
Tea	India, Sri Lanka, Indonesia, China (sometimes Bangladesh and Kenya)
Wheat	Australia, Argentina, Turkey

IMPORTS BY COMMODITY, 1983/84*

('000 tonnes and IR million)

Commodity	Weight	Value	% share of total value
Machinery	479	239,954	15.16
Iron and steel	5,244	198,976	12.57
Electrical goods	255	132,873	8.40
Grains	4,739	86,995	5.50
Vehicles and spare parts	184	79,257	5.01
Cotton	275	70,190	4.43
Plastics raw materials	474	47,072	2.97
Meat	277	44,834	2.83
Fertiliser	1,607	32,969	2.06
Animal oils	603	30,775	1.94
Pharmaceutical products	50	29,810	1.88
Synthetic and cotton textiles	60	29,137	1.84
Chemicals	579	29,079	1.84
Paper, cardboard and related products	456	24,922	1.57
Tyres	105	20,541	1.30
Metal profiles	116	20,430	1.29
Wood products	432	14,146	0.89
Medical equipment	4	8,658	0.55
Sugar	291	7,529	0.48
Tractors	26	5,423	0.34
Building materials	18	3,385	0.21
Motorcycles and bicycles	8	2,126	0.13
Live animals	2	1,443	0.09
Chinaware	5	853	0.05
Watches and clocks	2	223	0.01
Others	2,903	421,569	26.64
Total	**20,196**	**1,582,719**	**100.00**

*Solar hijra year 1362
Exchange rates: 1983: $1 = IR 86.358; 1984: $1 = IR 90.030

Source: Customs Office, Tehran

The Fictional Dollar that Oils Trade with Turkey

ONE of the hottest topics of conversation among members of the foreign business community in Tehran over recent months has been the "RCD dollar," a unit of currency which is purely fictional, but under the umbrella of which Iran is conducting between 5 and 10 per cent of its overseas trade.

The RCD dollar is named after the Regional Co-operation for Development grouping, formed in 1964 to promote trade between Iran, Turkey and Pakistan. Pronounced defunct by the Iranian revolutionary authorities in 1980, RCD was revived in 1984 as the Economic Co-operation Organisation (ECO), with headquarters in Tehran. ECO's secretary-general, Bechet Tureman, is sceptical about the RCD dollar: "I don't understand why they use that term; there is no such thing," he says.

The RCD dollar took off in 1984 when Iran and Turkey signed a $3,000 million trade agreement, an extraordinary sum given that annual trade between the two countries had not previously exceeded a hundredth of that figure. In early 1985 Turkey displaced first West Germany, then Japan, as Iran's main trading partner. Iran's trade with Pakistan, the third part of the old RCD grouping, also increased, but at $400 million is dwarfed by the Turkish deal.

The sudden transformation in trading relations with Ankara is a result of the Gulf war, Turkey's strategic location, and Iran's need to find secure markets for its oil. The barter mechanism set up by the two countries is now also used by West European suppliers to gain direct access to the Iranian market. In November the UK's Peugeot-Talbot took advantage of it to

renew a car kit supply deal worth an annual $150 million-200 million.

Similar barter packages have been negotiated with other countries: Austria's Voest-Alpine concluded a $1,000 million deal in 1985, and is hoping for a further $1,000 million in coming months. What sets the Turkey-Iran deal apart is its size, and the political considerations that surround it.

How the agreement works

Under the agreement, the two countries fix a price for oil for a 12-month period. The price is kept secret, but observers presume it to be at a level which provides for normal fluctuations in the international oil market. Turkey then arranges for its shipping companies to lift the Iranian crude, usually at the start of the year; in return, it has to deliver goods ordered against the oil within the 12-month period, or pay a penalty.

Turkish trading firms in Tehran, the numbers of which have soared in the past two years, then secure orders from Iranian firms and use Iranian advising banks to open letters of credit (LCs) with Bank Markazi (the central bank). The respective advising banks in Turkey notify the Turkish central bank, which releases cash from a special fund to the Turkish supplier.

Until mid-1985, the scheme worked very well. Hundreds of European firms beat a path to the doors of the Turkish trading companies, which seemed to have found a way round the disruption to cash LC business caused by Iran's foreign exchange restrictions.

In August, the Turkish central bank had $455 million in its special account, funds against which Iran had yet to place orders. For suppliers this was a tempting target. But with the start of Iraq's air raids on the Kharg island oil export terminal on 15 August, the RCD dollar seemed to have lost its magic – at least temporarily.

What Bank Markazi calls "precautionary" restrictions on foreign exchange spending were applied across the board to both cash LCs and barter LCs. Only priority supplies received the go-ahead. Dozens of Turkish businessmen in Tehran's hotels and short-lease flats found the gates of the central bank shut to them.

The Turks appeared to have lost their privileged status. When Turkish businessmen went to the central bank to complain they found the guards had orders to keep them out. Those who tried slipping up the back staircase or through adjoining buildings to get to the third-floor "RCD dollar department" in Bank Markazi's Building No 2 fared no better.

With $455 million of Iranian money sitting in Turkey's central bank, Turkish suppliers professed to be mystified by Iran's freeze. "Iran has already in effect paid for the goods, so why should it not want to open the LCs so the goods can be delivered?" asked one Turkish supplier of raw materials.

At the Turkish embassy 200 metres north of Bank Markazi, diplomats took a different tack. "There is no problem," insisted one. "I hear the central bank's computer system has broken down," said another.

An Iranian who claims to have contacts in Bank Markazi, said: "The Markazi boys have discovered the Turks are making extravagant profits on their commissions and have simply decided to end their racket."

At the bank itself, a senior official concedes that the Turks, among other businessmen, are not being let into the building. But, he says, "they have no business coming here in the first place; they should be dealing through their advising banks. We can't have big crowds of supplicants gathering in our rooms." The Turks as a whole have not been frozen out, he insists, only those who supply low-priority goods. The problem, he explains is that foreign exchange supervision has now been extended from cash LCs to barter arrangements, "to give us closer control of overall spending."

A senior official at the Commerce Ministry said: "We are not going to have the agenda set for us by either Turkish and other suppliers, or Iranian importers. We must decide on which goods we want. I know there is $455 million of our money sitting there in Turkey, but we are not worried by that."

Suggestions that goods imported via Turkey are more expensive because of commission fees, and that the Iranians resent this, are denied by other officials. "These goods are no more expensive than if we bought them directly," says one. "At the same time, we profit from the skills of Turkish businessmen in international markets."

European suppliers, however, complain that the RCD dollar scheme is "extremely expensive." Some reports speak of 10-20 per cent commission fees.

At ECO headquarters in north Tehran, the RCD dollar arrangement is viewed as a strictly bilateral deal between Iran and

Turkey. The new organisation is pressing ahead with its plans to create an overall framework within which Iran, Turkey and Pakistan conduct their commmercial and economic relations. There are now 30-40 staff and various committees dealing with industry, communications, transport, insurance, agriculture, education and science. A favoured proposal is for the establishment of a development bank. Customs tariffs may also be reduced. Secretary-general Tureman says, however, that these are long-term projects.

ECO officials are pleased by the revival of RCD under its new name. But in the ECO reaction to the RCD dollar there is an element of injured pride: it is named after an organisation that could not boast a single notable achievement in its 15-year life.

As to the fictional currency itself, it may indeed have lost some of its magic. Once the Gulf war ends, the whole scheme may be downgraded. For the time being, however, Turkey seems assured of a privileged position in Iran.

Industrial Growth Lacks Firm Direction

MINISTER of Industries Gholamreza Shafei is fiercely defensive of Iran's post-revolution manufacturing record. Pointing to a colour-coded chart of production at the Pars Electric factory, he says: "They turned out 313,000 television sets last year, twice as many as their best year before the revolution." Behzad Nabavi, Shafei's counterpart at the nearby Ministry of Heavy Industries, takes a similar line. Not only has Iranian industry recovered from revolutionary disruption, he says, "but we have exceeded output in the best year of the Shah."

Both men maintain that, despite the general impression abroad, industrial investment and activity are at a high level – in the private as well as the public sector. Both, however, admit to a certain uneasiness over the future character of industry, conceding that there is no coherent strategy for development. "We are moving, but we still don't know where we are and exactly where we're headed," says Nabavi.

Visits to factories and conversations with local businessmen tend to confirm the impression of intense industrial activity furnished by government statistics: 5,000 industrial permits issued each year, something like 10,000 factories – mostly private – opened since 1981, and IR 250,000 million ($2,600 million) were invested by government and private sector over the past two-and-a-half years in heavy industry alone, an annual average of $1,000 million. In real terms, Nabavi says, this is well over twice the amount invested in heavy and light industries combined in the Shah's boom year of 1976.

Perhaps most striking is the number of entrepreneurs investing in industry, either expanding capacity or starting new ventures. The government has set up 60 industrial estates since the revolution, providing infrastructure for investors outside a 120-kilometre radius of Tehran and other major cities.

The Nationalised Industries Organisation (NIO), which in 1979 took over 290 confiscated industries with liabilities totalling $800 million, reported profits of $300 million in 1984/85 on sales of $6,400 million. Taking 1977/78 as the base year, output was up 40 per cent, after having dropped by 23 per cent in 1980/81. (These industries have received big injections of government credits, and their reported profits are in part the result of creative accounting, but NIO director-general Hossain Mahru says the figures nonetheless show that government management is improving.)

Even the nationalised Industrial Development & Renovation Organisation (IDRO), which supervises more than 100 heavy engineering, machine tool, cement, textiles and food processing plants, stopped receiving government help in 1983 and started paying back loans in 1984. IDRO has accumulated debts of about $3,500 million.

Strategic industries, particularly those belonging to the Military Industries Organisation, are operating multiple shifts. Cement plants are working at about 80 per cent of capacity, and textile and pharmaceuticals factories are not far behind.

The turnaround in industry came in 1982, and output is now probably well up on pre-revolution levels. However, the gains of 1982 and 1983 appear to have been partly lost in the past two years. Foreign exchange restrictions and raw materials shortages in 1984 kept the increase in output down to 11

per cent. "Had we not increased productivity, output would have been 25 per cent below that of the previous year," Nabavi says.

Further import restrictions in 1985 have reduced output in the first six months to the 1983 level, with IDRO itself reporting a 24 per cent drop in production in the first quarter. Nabavi hopes the subsequent easing of restrictions will show through in some improvement for the latter part of the year.

Industries accorded priority have suffered less than others from the clampdowns on foreign exchange. And many plants which have been unable to open letters of credit in 1985 are nevertheless maintaining high output levels thanks to raw material stocks ordered in 1983 and 1984. Sources at Pars Electric, for example, say the factory still has sufficient stocks for more than a year. But if foreign exchange restrictions continue into 1986, there is little doubt that the impact on industrial output will be severe.

NON-OIL EXPORTS BY COUNTRY OF DESTINATION 1983/84*

('000 tonnes and IR million)

Destination	Weight	Value	% share of total value
West Germany	32	6,383	20.58
UAE	28	4,365	14.07
Soviet Union	39	3,477	11.21
Italy	10	2,868	9.25
UK	10	1,416	4.56
Switzerland	4	1,152	3.71
Hungary	5	930	3.00
Kuwait	43	817	2.63
Japan	17	730	2.35
France	1	687	2.21
East Germany	9	507	1.63
Czechoslovakia	1	441	1.42
Saudi Arabia	†	391	1.26
Netherlands	2	328	1.06
Austria	†	321	1.03
Lebanon	1	240	0.77
Bulgaria	8	211	0.68
Belgium	†	200	0.64
Turkey	†	173	0.56
Yugoslavia	6	165	0.53
India	4	106	0.34
Others	11	5,112	16.48
Total	**231**	**31,018**	**100.00**

NON-OIL EXPORTS BY COMMODITY, 1983/84*

('000 tonnes and IR million)

Origin	Weight	Value	% share of total value
Dried and fresh fruits	57	10,912	35.18
Carpets	2	7,762	25.02
Vegetables and pulses	39	5,049	16.28
Hides and skins	12	3,012	9.71
Minerals	106	1,351	4.36
Offal	1	1,179	3.80
Coffee, tea and spices	3	469	1.51
Oil seeds and herbs	2	336	1.08
Wool	†	307	0.99
Chemicals	3	192	0.62
Vehicles	†	123	0.40
Copper and products	†	19	0.06
Others	6	303	0.99
Total	**231**	**31,018**	**100.00**

* Solar hijra year 1362
† Less than 500 tonnes
Exchange rates: 1983: $1 = IR 86.358; 1984: $1 = IR 90.030

Source: Customs Office, Tehran

SELECTED EXPORTERS & IMPORTERS, 1983-1985

($ million)

Country	1983		1984		1934*		1985*	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
West Germany	3,000	616	2,280	650	1,255	277	843	207
Japan	2,820	4,231	1,692	2,869	1,134	2,029	504	1,361
Turkey	1,087	1,222	750	1,548	na	na	500	na
UK	900	176	889	469	447**	256**	330**	52**
Austria	275	20	198	46	118	26	85	35
Belgium	257	187	230	187	123	134	80	57
Brazil	350	389	298	170	164†	170†	83†	na
France	368	964	195	840	117	410	71	263
Sweden	437	148	408	49	284††	1††	64††	11††
US	190	1,167	162	730	111	226	48	131

* January-June
** Respective figures for January-September are: $616 million; $350 million; $532 million; $78 million
† January-July
†† January-May

Source: MEED

Even more serious for the long term is the lack of overall strategy. But until the war ends it is a deficiency that will remain next to impossible to put right: the $4,000 million Bandar Khomeini petrochemicals complex had to be mothballed after Iraqi air raids in late-1984, the Ahwaz steel rolling mill was destroyed in November 1985 (it had been rebuilt in 1984 after earlier Iraqi bombings), and many other industries have suffered war damage and operate under the constant threat of attack. At a less spectacular level, war needs dictate production and import priorities, diverting resources away from vital civilian investment.

Such pressures notwithstanding, lack of co-ordinated planning is symptomatic of a government so mired in detail that it is unable to take the broad view. Ministers are in many ways trapped by the industrial and bureaucratic legacy of the Shah and appear to lack either the vision or the courage to break the mould.

For example, self-sufficiency in industry (and in other sectors of the economy) has been a central theme of the revolution since its earliest days. The privations of war and Western sanctions have forced industries to lessen their dependence on outside skills and resources, but in terms of conscious policy, self-sufficiency has all but disappeared from the agenda. Its main function these days is rhetorical – as a slogan to help rally the population and inspire young revolutionaries.

Both Nabavi and Shafei appear to regard self-sufficiency as an impractical goal – at least in the foreseeable future. The priorities are better management of existing indus-

[Boxed item on p 42]

Peugeot leads field in bid for new plant

AMONG the bigger schemes on the drawing board at the Heavy Industries Ministry is a car factory that will require investment of up to $1,000 million. Competing for the lucrative equipment, parts supply and licensing contracts are major car manufacturers from West Europe and Japan.

The new plant will replace the Iran Khodrow factory west of Tehran, which assembles Paykan cars from Hillman Hunter kits supplied by Peugeot-Talbot of the UK. The company is one of the bidders for the scheme and, according to Heavy Industries Minister Behzad Nabavi, is the potential front runner.

The ministry is now considering six proposals in addition to two from Peugeot-Talbot; the others are from Fiat, Volkswagen, Nissan Motor Company, Toyota Motor Company, Mitsubishi Motors Corporation, and Mazda Auto Tokyo. The project is "very urgent," says Nabavi, and a decision is due in early 1986.

The ministry recently concluded a deal with Nissan for the local manufacture of two-tonne pick-ups and four-wheel-drive passenger vehicles. "Within five years all the vehicle parts will be produced locally," Nabavi says.

The decision on the scheme to replace the Paykan model comes as output at Iran Khodrow is being cut. Foreign exchange restrictions and problems over payment will mean less than 50,000 Paykans will come off the production line in 1985, half the usual number.

The government has set a similar target for 1986. "Passenger cars are not a priority when it comes to foreign exchange allocation," says Nabavi, "so production will have to suffer."

As it is, Peugeot-Talbot had to arrange an interim barter agreement in late 1985 to keep its own production lines going. The agreement covered 7,824 units over a two-to-three month period, with payment to be made in oil through Turkey's Cukurova Holding. The Turkish barter connection, also used by France to supply Renault 5 kits to Societe Anonyme Iranienne de Production des Automobile (SAIPA), is new to Peugeot-Talbot: it is not clear if it will be continued.

Barter will probably also feature in the planned deal for the new model to replace the Paykan. Nabavi says Peugeot-Talbot has a potential advantage over its competitors because it is already well-established in Iran: it has "a head start; any other company would be two to three years behind even before starting." If Peugeot-Talbot is chosen, however, "there will have to be big modifications on the present deal," the minister warns.

The UK firm has proposed its latest Peugeot 309 model, but this does not have a pick-up version, a very important consideration in Iran. The company's alternative proposal is for the Peugeot 505 saloon model linked to the Peugeot 504 pick-up.

The new car plant will take years to realise, perhaps six or seven if the winner is not Peugeot-Talbot. The slow phasing out of the Paykan line – and the million-plus Paykans already on Iran's roads – will in any case assure the UK company of orders for years to come.

tries and maximisation of investment and output. Complete self-sufficiency is of course out of the question, but even the dream of reducing dependence on external resources to a marginal level appears to have been abandoned. Considering the difficulties involved, and the potentially wrenching effects on the economy, it is little wonder that officials take the easy way.

Shafei defines his top priorities as raising output and building up an export base so as to reduce reliance on oil. In the short term this would require increased dependence on oil to provide the revenues for industrial investment.

Nabavi in turn bluntly confesses: "The simple fact is that we are backward." In the post-revolutionary chaos the main objective was to "get things moving again." Once that had been done, the priority shifted to maximising output. "Unfortunately, we inherited a dependent industry; and one cannot just switch industry on and off."

The third phase of development – creating new capacity – has required much investment and is producing some results. Nabavi cites as examples the big factories that have opened in Tabriz and Arak to manufacture machine tools, textile machinery and tractors. But he adds: "We don't have a strategy and we don't know which way to take to become self-sufficient quickly."

For the moment, the government provides industry with various forms of incentives. Aside from the industrial estates, there are tax holidays and reduced customs duties on some imported machinery. Particularly favoured are industries with export potential. The Industries Ministry is also encouraging special arrangements whereby foreign companies bring raw materials to Iran for manufacture and shipment to third countries.

The fate of the nationalised industries and the role of the private sector are two more variables in the industrial equation. In contrast with agriculture and foreign trade, however, the issue of state versus private control is mostly settled – at least on paper.

As specified by the constitution, all basic industries will remain in government hands. Former private shareholders will, if not on the list of proscribed persons, receive compensation.

The government intends to divest itself of all other industries – given time and assuming there are buyers. These industries fall essentially into two categories: those in which proscribed owners had a share, and those completely owned by proscribed persons. In the first instance, the confiscated shares will be sold to new owners; in the second, a five-member court will decide on ownership.

The total number of factories thus held by the two ministries is more than 500. About 100 are "big" basic industries which will stay with the Heavy Industries Ministry; Nabavi says there is some confusion over the term "big", which has yet to be defined by the courts. Factories only part of whose shares are nationalised total 200; those whose ownership will be decided by the five-member court number rather more.

Aside from strategic industries, therefore, the trend is to give the private sector as much leeway as possible. Shafei says most industries are now in private hands, and that when it comes to new investment, priority goes to the private sector. "Even if there is a particular project that can be done equally well by the private and public sectors, then the private sector gets preference." He says the government's view is that if all non-strategic industries can be run by the private sector, "so much the better for us."

Nabavi, who has a reputation as a strong advocate of state control, expresses similar sentiments. "We would gladly sell Machine Sazi Arak [the machine tool plant] and other similar big factories to private investors, but no-one will buy because he knows he can't make a profit." He says his opposition to the private sector relates only to foreign trade and the distribution of imported goods. "I am all for private investment in industry. In fact, without it we can't manage." He is even prepared to accept private participation in heavy industries, "but in new projects, not the old ones which we have turned into profit-making concerns."

The Heavy Industries Ministry itself is operating out of temporary accommodation rented from one of the most powerful pre-revolution families – the Lajevardis, who ran the Behshahr Industrial Group. A member of the family comes round every month to collect the rent.

The planned privatisation of nationalised industries includes a programme to sell shares to the public. The factory workers would have first refusal. Shafei says the Rey cement plant – 40 per cent owned by its

workers – is one of a number of factories that have already gone public.

At the same time, many proposals are received from small investors wishing to produce consumer goods. Shafei says his ministry tries to get them to join resources within co-operatives of 100 or so members. But he concedes that "cultural problems" – notably the strong strain of individualism that still pervades Iranian commercial life – mean this approach could take years to become widely accepted.

[Boxed item on p 44]

State banks play crucial investment role

A CENTRAL vehicle in promoting industrial investment is the Bank of Industry & Mines (BIM), which took over all the pre-revolution development banks.

Set up in September 1979 with capital of IR 40,000 million ($420 million), BIM had by the end of 1984 approved IR 172,242 million ($1,800 million) worth of investment in 511 projects. The bank's own equity participation totals IR 45,054 million ($475 million). Some 25 per cent of this is in food industries and cold storage, 20 per cent in textiles, and 22 per cent in metal and machine manufacturing.

The nationalised commercial banks also play a significant role in directing funds intc industry. In 1986, they are scheduled to take over management of several big schemes planned or already being built by the government. These include the incomplete Mobarakeh steel mill near Isfahan and the Ahwaz rolling mill.

Says a senior official: "The banks can help cut government costs; plus, they will manage more efficiently."

Mr F & Mr N: The Two Faces of Private Enterprise

HOSSAIN Faramarzi is a 60-year-old industrial entrepreneur who hates the Islamic revolution and just about everything it stands for. He complains he has been harrassed by revolutionary guards and security authorities throughout the past seven years; he says his business is suffering and the country's economy is "a total mess."

The revolutionary guards first came for him in 1979 when smallholders near his 1,400-hectare farm in Saveh, 120 kilometres south of Tehran, reported him as a counter-revolutionary to "hanging judge" Shaikh Sadeq Khalkhali. Having heard the evidence, Khalkhali dismissed the charges. "Your neighbours are obviously out to get your land," he said. "I'm a living martyr," jokes Faramarzi about his close brush with the judge.

Some time later, Faramarzi was arrested again after his neighbours had accused him of having consorted with the royal family, and alleged that former empress Farah used to visit him at the farmhouse. "I showed them the run-down farmhouse and asked them how likely it was that the empress would visit such a dump. Or did they think it was because of my good looks? The judge smiled and told me to go home."

Most recently, a posse of gendarmes poured into his mineral processing factory near Saveh after receiving a tip that he was diverting his products to the profitable black market. Since his factory had not been nationalised or confiscated and he could sell his output anywhere he wished, the gendarmes had to apologise and once again let him go.

Faramarzi is sure one of his workers was responsible for informing on him, but says he dare not do anything about it. "Today the workers rule .... I just keep my mouth shut and do what they want."

Now, foreign exchange restrictions have created a shortage of heavy-duty bags, forcing him to buy on the black market at exorbitant prices. "I just pass the cost on to the customer," he says, laughing. "I couldn't care less. It just means prices go up by another 8 or 10 per cent.

"I've begged the authorities to provide bags, or I may have to lay off workers. But they say if people like me lay off workers, at most 2,000 jobs will be involved; the cement plants get priority because hundreds of thousands would be out of work."

Faramarzi has also had problems getting the vital spare parts he needs this year because he cannot open letters of credit for imports. He has been forced to call in a local workshop to reproduce a precision-tooled shaft; to his surprise, it turned out to be as good as the foreign make he had relied on for years – "and a lot cheaper."

He has also been scouring warehouses and has located an abandoned but new rock crusher ordered by another plant years ago. The crusher is destined for a second unit he plans to install next year, at a cost of $1 million, to double production to 3,000 tonnes a month.

The new investment is an odd move for a businessman who thinks "the mullahs are strangling this people with their turbans" and predicts that the Islamic republic is doomed. It is an irony that is not lost on Mohammad Namazi, who has come over to see his friend from his own newly opened factory a few hundred yards away on the 11-year-old Saveh industrial estate. (Namazi's real name, like Faramarzi's, has been changed to preserve his anonymity.)

Namazi describes himself as a religious man who fully supports the republic. He was a successful businessman under the Shah and is doing less well now; but he thinks it is "a small price to pay" for the achievement of economic re-organisation and Islamic ideals. He prays five times a day and has written to Khomeini's office asking for guidance on how much tax he should pay. He smiles uncomfortably at his friend's jibes about the futility of religion and the follies of the mullahs.

"It's not quite like that," he protests mildly. But he obviously enjoys Faramarzi's sharp wit, and cannot help laughing when he is told that it is the prayers of "religious fanatics" like him that have "brought these troubles on everyone's head."

Afterwards, Namazi remarks: "He complains a lot, but he's OK. You'll notice that at the end of the day he's investing more money in his factory. He's obviously doing well and hopes to do even better."

Namazi is expanding his own business. He plans to start a copper tube plant near the state-owned Kerman Sar Cheshmeh copper complex and has already held talks with machinery suppliers in West Germany and the UK. His present factory, on a 20,000-square-metre site, started producing automobile oil and air filters earlier this year, and by autumn output had reached 2,500 units a day.

He has brought in a new foreman, a retired National Iranian Oil Company engineer, who will oversee the installation next March of a $6 million automated production line imported from West Germany. The new line, with some components manufactured at the factory workshop, will boost output to 20,000 filters a day.

Namazi has sold shares in the factory to some of his executives, one of whom attended the School of Business Management which was set up in Tehran in the 1970s with help from the Harvard Business School. His workforce includes a French-trained electrician, but is mostly unskilled and contains many Iranians expelled by Iraq in recent years. Pay ranges from IR 760-2,100 ($8-22) for a nine-and-a-half-hour day. With next year's expansion, the workforce will grow to about 200.

There has been much damage to machinery through carelessness, and now Namazi is thinking of introducing a profit-sharing scheme to encourage greater efficiency. During a recent religious festival he ordered two sheep to be slaughtered for the workers.

His born-again Islamic fervour sometimes draws friendly smirks from his staff. He feels there is too much corruption in government and commerce, claiming that he has kept himself clean – "for the time being." Would he bribe officials if the future of his business depended on it? "I hope not," he answers, "but that depends on the pressures.

"Doing business nowadays is not easy. It's a difficult situation. But we have to undergo these difficulties for the sake of our people's future. Someday, it will all pay off." It is not the kind of remark he would make in the presence of his friend Faramarzi, whose predictable reaction would be a loud snort.

CRUDE OIL PRODUCTION & EXPORTS, 1982/83-1984/85*

('000 barrels a day)

	1982/83	1983/84	1984/85
Production	**2,684.0**	**2,709.0**	**na†**
Southern fields	2,442.0	2,454.0	na
Offshore	242.0	255.0	na
Exports††	**2,158**	**2,127.0**	**na**
Product imports	**22.0**	**155.0**	**108.0**
Kerosene	na	74.0	60.0
Gas oil	na	63.0	32.0
Petrol	1.7	15.0	10.6
Liquefied gas	0.1	3.0	5.0
Middle distillates	20.0	0.0	0.0
Refinery output	**561.0**	**623.0**	**688.0**
Isfahan	230.0	264.0	na
Tehran	205.0	220.0	na
Tabriz	71.0	72.0	na
Shiraz	40.0	45.0	na
Lavan	15.0	16.0	na
Masjid-e Solaiman (distillation plant)	0.5	0	na
Bakhtaran (Kermanshah)	0.0	6	na

* Solar hijra years 1361-63
na = not available
† OPEC quota 2.3 million b/d
†† Includes products

Sources: Central Statistics Office of Iran; Oil Ministry

Hydrocarbons: Kharg Attack Speeds Up Shift to the East

THE drive to shift oil export facilities eastwards, away from the Gulf war zone, dominates Iran's plans for the oil industry in 1986. The successful Iraqi penetration of Kharg island's defences, beginning with a huge raid on 15 August, has shaken Iranian oil officials, despite their public expressions of confidence. Unless the war ends soon, the drive east will continue into 1987, setting back several longstanding schemes to develop oil, gas, and perhaps petrochemical resources.

The Iraqi air offensive against Kharg had by year's end knocked out several loading berths, damaged pipelines and metering facilities, and destroyed a few of the reservoirs on the huge tank farm. But Kharg was built to handle up to 7 million barrels a day (b/d), and has enough spare capacity intact to maintain planned exports of about 1.6 million b/d.

Since early 1985, when Iraqi missiles started taking a heavier toll of international tankers near Kharg, Iran has been shuttling crude in chartered vessels to floating terminals near Sirri island, further east and out of range of Iraqi aircraft.

Oil industry observers, citing the ease with which Kharg's gravity-fed pipelines can be repaired, do not think the terminal can be crippled by air attacks alone. However, soon after the start of the Iraqi raids, the Oil Ministry dusted off plans for alternative export outlets, principally a scheme for twin pipelines running east to Jask, outside the Gulf, and single-buoy moorings (SBMs) just east of Kharg.

Work on the SBMs has reportedly already started. The shuttle tankers from Sirri may be able to load in the open sea between Kharg and Bandar Bushehr by early 1986. The Jask pipeline would, however, be very expensive, costing at least $4,000 million and taking several years to complete.

The ministry has meanwhile settled on a compromise scheme that could later be extended to Jask. Two 42-inch-diameter

NATURAL GAS PRODUCTION & CONSUMPTIION, 1982/83-1984/85*

	1982/83	1983/84	1984/85
Natural gas production (million cubic metres)	29,925	27,964	na
Natural gas consumption (million cubic metres)	17,871	15,627	na
Liquefied petroleum gas ('000 cubic metres)	1,063	1,234	1,360

* Solar hijra years 1361-63
na = not available

Sources: Central Statistics Office of Iran; Oil Ministry

pipelines are to be laid from the Gurreh pumping station, on the mainland north of Kharg, to Asaluyeh, 380 kilometres away near Kangan. The first 172-kilometre section to Bandar Bushehr may be ready by mid-1986 and exports of about 1.5 million b/d could begin via SBMs near or at Bushehr. The Bushehr-Asaluyeh section could be ready by 1987, depending on the degree of urgency felt in Tehran.

A senior Iranian official claims local contractors have already started laying the pipeline from the Gurreh end, using pipes and equipment bought years earlier for the Jask line.

West European and Japanese pipeline suppliers submitted bids for the line to Asaluyeh in early November. Apparently, selections will be made at the same time as the decision on the foreign contractors who submitted their bids a month later.

Another export scheme under consideration is a 92-kilometre link from the Gachsaran oilfields to the newly completed IGAT-2 gas line which runs from the Kangan gas fields north to Isfahan. The link would allow crude to be pumped down the 56-inch-diameter IGAT line to floating terminals off Taheri, near Kangan.

In peacetime, the new line from Gurreh to Asaluyeh will be used to pump gas north from Kangan for injection into depleting oilfields in the Ahwaz area. A $1,000 million gas gathering complex is now being built at Kangan.

The urgency with which Iran is seeking to extend oil export facilities eastwards may delay plans for domestic gas distribution: these have been accorded high priority since the revolution. Under the gas distribution scheme, the number of cities with piped gas would increase from 23 to 80 by the early 1990s. Some 2,000 factories, three times the present number and nearly six times the pre-revolution figure, are also to receive gas. If the IGAT-2 line is taken over for oil exports, the domestic gas distribution scheme is bound to suffer.

Plans to build new oil refineries are going ahead slowly but steadily. The main project is a 200,000-b/d complex near Arak, southwest of Tehran. Other refineries are planned to replace lost capacity at the war-damaged Abadan complex. It is not clear, however, whether these will be the same size as the Arak refinery or smaller plants sited closer to towns and cities. Total new planned capacity, including Arak, is 800,000-1 million b/d.

A 180,000-b/d lube oil plant is being built at the Isfahan refinery. Foster Wheeler Italiana has the $5 million engineering services contract for the $50 million-100 million scheme.

Arak will also be the site of a petrochemicals complex costing $1,500 million. In August 1985 Italy's Technipetrol and Kinetics Technology International (KTI) of the Netherlands were awarded the engineering services contract for olefins production in phase one. Contracts for downstream operations are due in 1986. Also still to come are phase-two contracts for the aromatics section. The fenced-off site is being rough-graded and soil surveys have been completed. Water wells have also been sunk. Construction is due to start in 1987.

A 150,000-tonne-a-year polyvinyl chloride (PVC) plant and an 800-tonne-a-day diammonium phosphate (DAP) unit are planned at Bandar Khomeini, site of the incomplete $4,000 million Iran-Japan Petrochemical Company (IJPC) complex. Technology supply contracts were awarded in late 1984 to two West German firms, Chemische Werke Huels for the PVC plant and Didier Engineering for the DAP unit.

Bandar Khomeini

The fate of the IJPC complex itself is still in the balance. The scheme was 85 per cent complete when it was bombed by Iraqi aircraft in 1981 and 1983, sustaining at least $500 million worth of damage. The Japanese left in late 1984 after further attacks.

The *majlis* (parliament) then rejected the 1983 Supplementary Agreement between the National Petrochemical Company of Iran (NPC) and the Iran Chemical Development Company (ICDC), the Japanese consortium. The members of parliament objected to the agreement's provisions allowing the Japanese side to reduce its 50 per cent share, and insisted that the two sides revert to the Basic Agreement in force at the time of the revolution.

A senior NPC official says the project has now been mothballed, awaiting the end of the Gulf war and a decision on the nature of the partnership. The complex has been under construction for more than a decade and may take several years to complete. War damage alone will probably take a year to repair.

At Shiraz, site of the newly completed $1,000 million fertiliser complex, a 250-tonne-a-day methanol plant is to be built. West Germany's Lurgi is to supply basic engineering. The main fertiliser complex, completed by the UK's Humphreys & Glasgow and other firms, may be in production by summer 1986, a year behind schedule.

Other projects for the future include a small unit next to the Isfahan refinery to produce petrol for local consumption. A planned ammonium sulphate unit near the Kerman Sar Cheshmeh copper complex appears to have been postponed.

Agriculture: Critics Fail To Dampen Self-sufficiency Fervour

FOOD self-sufficiency is a fundamental doctrine of Iran's government — and one that has been under fire since the first day of the revolution. Some agricultural experts in Tehran say the dream should be abandoned: Iran has not enough irrigated land to feed even its present population.

The critics insist that the country should concentrate on the agricultural goods it produces best, and import the rest. They add that, in any case, Iran will not recover from the disruption the revolution brought to the land until security of ownership is firmly established, and a comprehensive agricultural plan drawn up by the authorities.

This discouraging message is not welcome at the Agriculture Ministry, an 18-storey glass tower on Tehran's Agriculture Boulevard. The ministry's message is that self-sufficiency will be pursued whatever the difficulties and despite the critics.

Agriculture Minister Abbas Ali Zali concedes that self-sufficiency is not around the corner but he has high hopes of eventually reaching a basic level of independence. With pride, he flourishes local newspapers carrying front page pictures of model farmers, part of the government's campaign to encourage agriculture.

The minister believes that basic self-sufficiency in grains can be achieved within five years. Wheat output alone is expected to rise from 6.5 million-7 million tonnes to 9 million tonnes, making imports minimal.

The key element is higher efficiency. Wheat yield per hectare is to be increased from 1.8 tonnes to 2.5 tonnes on the present 2 million hectares of irrigated land. Yield on the 4 million hectares of rain-fed land is to rise from 700 kilos per hectare to one tonne.

Iran, Zali says, grows enough vegetables, and produces a surplus of fruits and some other products. In 1984, 1.2 million tonnes of apples were produced, leaving 200,000 tonnes for export; citrus, grape, and date production reached, respectively, 1 million tonnes, 1.5 million tonnes and 450,000 tonnes, leaving 100,000 tonnes of each for export; and pistachio output was 700,000 tonnes, leaving 30,000 tonnes for export.

Cotton output, which dropped by 40 per cent after the revolution, is now high enough to allow 30,000 tonnes to be exported. A big marketing drive is under way to find customers in the Gulf and elsewhere, says Zali.

Chicken and egg production has also increased, and imports have been halted since 1984. There are, however, occasional shortages of both items in Tehran, and most poultry feed is imported.

Rice, sugar beet and sugar cane farming have fared badly. Two years of drought in parts of Khorrassan and Mazandaran provinces have reduced the rice crop from 1.6 million tonnes to about 1 million tonnes, necessitating increased imports next year. Sugar beet output fell by a third to 4 million tonnes after large, mechanised farms were seized by farmers.

A five-year plan has been launched to restore lost sugar output by encouraging farmers to join co-operatives to increase efficiency. Sugar cane sufficiency may be achieved in 10 years with more land cultivated and new investment in Khuzestan by local banks.

The ministry's biggest single problem in its quest for self-sufficiency is in raising red meat production, a task that will take at least 15 years. About 450,000 tonnes of red meat is now produced annually, leaving about 170,000 tonnes to be imported, mainly from New Zealand, Australia, Argentina, Turkey and Ireland. Red meat imports are expected to double in 10 years to meet demand in the fast-growing cities.

To fill part of the gap, the ministry has invested heavily in fisheries. Production has doubled since the revolution. The ministry projects local fish consumption at 200,000 tonnes a year within a decade, the equivalent of one-fifth of projected meat consumption.

Land settlement in sight

There are hopes that the ownership disputes set off by revolutionary confiscations may be settled this year. Some 1.2 million hectares of agricultural land were taken over but, says Zali, only 700,000 hectares are now in dispute.

These are lands taken over by individual farmers and now farmed under temporary ownership agreements arranged by the government. Legislation to formalise some of the takeovers will pass the *majlis* (parliament) and the 12-member Council of Constitutional Guardians by the end of the year, Zali hopes. The legislation is a compromise between those who want all revolutionary takeovers legitimised and those — in particular in the mosques — who advocate absolute property rights.

Zali maintains that, in any case, all the disputed lands are being planted. Nevertheless, the greater sense of ownership security that the legislation will bring is expected to boost output: the farmers now planting these lands are doing so half-heartedly and without making new investment. "The farmers will try harder, and there will be a general good effect throughout the community," says the minister.

The drive for self-sufficiency is slowed by shortage of expertise and equipment. However, critics say that the ministry and the government are "lacking in vision and planning." The ministry "has no sense of direction," charges one critic, "and until it acquires one, just about everything it does is a waste."

This lack of planning in its crudest form is evident in the potato and onion markets. One year there is a shortage of onions, and prices rise. Enticed by these high prices, farmers shift from potatoes to onions for the following year — and get all sorts of government help to do so. The result is a glut in the onion market, and prices fall.

Meanwhile potatoes have disappeared from the shops and prices rise — the signal for farmers to set their sights on the apparently more profitable potato market the following year. Fruit growers have also received government help to indulge in similarly futile exercises.

There is a parallel "agriculture ministry" in the Construction Crusade Ministry, created after the revolution. Staffed by young, idealistic Muslim revolutionaries, the Construction Crusade Ministry is certainly not lacking in vision and energy. As well as building roads, bridges, irrigation canals and other infrastructure in the countryside, it has embarked upon a plan to bring several million hectares of rain-fed land under the plough. This farming is the least efficient, but in the absence of anything better it at least keeps alive the revolutionary spark on the farmlands.

The government is making heavy infrastructural investments and providing financial and other incentives. Dams are being built and irrigation networks extended at a cost of nearly $1,000 million. Staple foods are heavily subsidised, with the government guaranteeing to buy rice from farmers at IR 200 ($2.10) a kilo and wheat at IR 46 ($0.48) a kilo. Wheat subsidies alone are reported to cost $130 million. Loans totalling about $750 million were made available in 1985/86. An insurance programme is being extended from sugar beet and cotton to other crops.

Co-operatives and rural services centres provide farmers with expertise, finance and equipment. The ministry says that in order to increase efficiency, it is encouraging small farmers to join co-operatives, "not

physically, but in terms of access to equipment and services."

The dissenting experts, who consider themselves realists, believe the revolutionary authorities have to stop thinking in terms of self-sufficiency. One prominent critic says the only way forward for Iran is to aim for high-efficiency use of land and to concentrate on what it can grow or produce best.

It should "gear up its agriculture with the international market," taking advantage of prices to import as required. Any further increase in wheat output should be forgotten, as it is not the best crop to grow in Iran. The dairy industry is the best bet, and Iran could easily become self-sufficient in milk. "But all this needs much planning and structural investment, none of which I see on the horizon," he adds.

The critics' view may well be correct, but it will not make much headway within the government. Ever since the revolution, agriculture has been as much a political as a technical issue. Within that context, efficiency is bound to take second place to enthusiasm.

Bandar Abbas Is Focus of Transport Strategy

THE final elements of Iran's revamped import and distribution network started coming together in 1985, with the completion of a major port and construction of new road and rail links. In parallel with the oil industry's export facilities, the focus of transport development has shifted eastwards away from the Gulf war zone to safer areas near the Strait of Hormuz.

The centrepiece of the network is the Shahid Rajai port complex, built at a cost of $750 million-1,000 million some 20 kilometres from Bandar Abbas. Even further east, near the border with Pakistan, is the Shahid Beheshti port at Chahbahar, completed early in 1984. The improved roads that connect the two with the rest of the country are to be supplemented by a railway now under construction.

Development of the traditional land and sea links in the war zone has been accorded low priority for the duration of the conflict, but there is no question of abandoning them. Work is continuing on double-tracking the railway between Ahwaz and Bandar Khomeini, and officials insist that the war-devastated port of Khorramshahr will eventually be rebuilt – at an estimated cost of $400 million. A $600 million highway is planned between Qom and Isfahan, and the Tehran-Ahwaz railway is to be doubled.

The Shahid Rajai complex was handed over to the Ports & Shipping Organisation (PSO) at the start of 1985. In the first six months of the Iranian year which began on 21 March, Shahid Rajai and the older port of Shahid Bahonar – at Bandar Abbas itself – handled 4 million tonnes of goods, about one-quarter of total imports. By the end of 1985 the new complex was operating at 90 per cent of its annual 10 million-12 million-tonne-capacity, according to PSO chief and Deputy Roads & Transport Minister Seyyed Ali Mahmoudi.

Bahonar has two deepwater basins, one used by the navy. Shahid Rajai's two deepwater basins contain 30 berths, which can handle ships of up to 100,000 dwt. However, the administration buildings still do not have airconditioning for the intense heat of the summer months.

Iran wants to increase the new port's capacity by 50 per cent, but has had to postpone expansion because of a dispute with the builder, the Italcontractors consortium led by Societa Italiana per Condotte d'Acqua. The Italians say they first want payment of $200 million-400 million for work already done; the Iranians say only $20 million-30 million is owed.

Mahmoudi says the two sides renegotiated the pre-revolution contract in 1981, including a cost escalation clause. The agreement was for a scaled-down version of the $1,500 million complex planned before 1979, but featured an option to complete the project.

"However, when a few months later – because of the war – we decided to revert to the original project, the Italians quoted a new, inflated price," says Mahmoudi. Work on the scaled-down scheme continued and was completed in late 1984. But the Iranians – alleging that Italcontractors has violated the overall agreement – are refusing to pay the amount demanded.

The PSO intends to go ahead with the expansion scheme, but on a long-term basis. It will be built in four stages: Iranian contractors will handle the first two stages, and foreign firms the last two.

At Chahbahar, four piers capable of handling ships of 10,000-25,000 dwt have been in operation since early 1984. Annual

capacity is 1.2 million tonnes. A very long-term scheme envisages construction of a breakwater, new piers and other facilities, to raise total capacity to 5 million tonnes a year.

Railways and roads

The concentration of port capacity in the southeast has been accompanied by expansion of the rail and road network in that remote corner of the country. Work by local and foreign contractors is continuing to the $1,500 million, 730-kilometres railway between Bandar Abbas and Bafq, for completion in about three years.

The road north has also reportedly been improved, and in emergencies can handle up to 10 million tonnes a year. The railway will increase land transport capacity from Bandar Abbas by a further 8 million tonnes a year.

The 250-kilometre road north from Chahbahar to Iranshahr has also been widened, improving access to Zahedan. The Roads & Transport Ministry is now considering a proposal to build a railway from Chahbahar to Bam, where it would connect with the national network via a line being built from Bam to Kerman. A proposed line east from Bam would provide a rail connection with Zahedan.

Use of Bandar Khomeini and Bandar Bushehr ports in the southwest has fallen dramatically over the past two years. Bushehr handles only 1.2 million tonnes a year – barely a third of its capacity – while throughput at Bandar Khomeini, which totalled 4 million tonnes in 1984, is down to negligible amounts. Ships are being diverted to Bandar Abbas, but plans are in hand for post-war development of the two old ports. Italimpianti was commissioned recently to design a $100 million minerals terminal at Bandar Khomeini which will handle 4 million tonnes a year of iron ore for a steel works at nearby Ahwaz. Bids for construction may be invited in late 1986.

In all, Iran's ports – including Enzeli and Nowshahr on the Caspian Sea – handle about 12 million tonnes of goods a year, or about two-thirds of total imports. The rest come by road and rail via the Soviet Union and Turkey – 2 million tonnes via Julfa on the Soviet border, and 3 million tonnes via Bazargan on the border with Turkey. There is a proposal to extend the Tehran-Mashad railway by 170 kilometres to Sarakhs, on the Soviet border near Afghanistan, to provide a more efficient connection with the Soviet rail system.

There is also a plan to build a line from Tehran to Karaj, 40 kilometres west of the capital, but this will mainly carry suburban commuter traffic.

Meanwhile, additions have been made to the trucking fleet to improve internal distribution. It appears that for the first time since the 1960s, there are now enough trucks and drivers to meet demand. Around 1,000 trucks a day call at Bandar Abbas alone.

Iran is also building up its freight carrying capacity on international routes. The Islamic Republic of Iran Shipping Line has more than doubled its fleet since the revolution, to 95 vessels with total capacity of 2.1 million tonnes. Capacity will double again by the early 1990s. The line, which gets priority for imports and berthing, made an IR 10,000 million ($105 million) profit in the year ended 20 March 1985.

National carrier Iran Air, which has one of the biggest cargo fleets in the Middle East, handled 66,000 tonnes in the 12 months to March. It made a $120 million profit for the year. As part of a programme for upgrading airports countrywide, the UK's Thorn EMI was awarded a contract recently to install navigation lights at Mashad. Work continues on a new airport for Tehran, while smaller airports are being built in the provinces.

Tehran: Not What it Was, Not as Bad as it Might Be

IRAQI air raids on northern Tehran early this year were something of a windfall for the capital's Inter-Continental hotel, driving hundreds of local and foreign residents through its doors. The newcomers were not interested in rooms or cuisine, all they wanted was shelter from the bombs. They checked into the lobby of the 13-storey reinforced concrete building at night and left first thing in the morning.

With business from conventional sources at a low ebb, the management was delighted with this unexpected custom. A reduction in the frequency of airline flights, and the possibility of more air raids, had kept most foreign business visitors away, and occupancy was down to 20-30 per cent.

Now the businessmen are back. Occupancy rates for the 400-room Inter-Continental – restyled the Laleh after the revolution, but still more commonly referred to by its old name – have edged past 60 per cent. It is still a far cry from 1980 and the US hostage crisis, when foreign correspondents helped push occupancy to almost 100 per cent at most Tehran hotels. Even that was sedate compared to the four or five years after the 1973 oil boom, when hotels were so full that camp beds filled the lobbies and managers' offices.

At 60 per cent, the Inter-Continental's late 1985 occupancy rate is the highest among Iran's top hotels, though well short of the 80 per cent achieved in 1983-84. Lack of paying guests is not the only problem for Tehran hotels, however.

If guests are put off by the rudimentary plumbing, fading carpets, aging cutlery and venerable linen, they at least have the satisfaction of knowing that hotel managements are suitably embarrassed. "We are ashamed," says one manager. Another shakes his head at the failure of the airconditioning system at the height of summer: "We just can't get the parts," he says.

At the Inter-Continental, they want to change the decor, especially the carpets, but they do not consider the local product up to standard, and cannot get approval to import. Hotel equipment is not a government priority.

The cuisine has also suffered, at least in variety. There are no more special food imports from Europe; the stress instead is on a greater range of local dishes. It is all very dispiriting for the top hoteliers.

Emphasis on business

What really counts nowadays is business service. Almost all the guests are businessmen rather than tourists, and what they want is a helpful staff and efficient telex and telephone services.

Prices vary little at the top hotels: IR 4,950 ($52) a night for a single room, IR 5,750 ($60) for a double and IR10,950 ($115) for a suite. There is still a "royal suite" at the Sheraton, available for IR 12,950 ($136) a night.

Most of the leading hotels have changed hands since the revolution, with government organisations now holding controlling shares. The Inter-Continental, generally considered the best for its location, communications facilities and service, is 50 per cent owned by the Ministry of Islamic Guidance. The ministry took over the 48 per cent share held by the former Tourist Organisation and the 2 per cent stake of the Bank of Industry & Mines. The 25 per cent share once held by Pan Am has been referred to the Hague international tribunal set up to resolve commercial disputes between Iran and the US. Prince Sadruddin Aga Khan still holds the other 25 per cent but does not receive dividend payments.

The Hilton, renamed Esteqlal, now belongs to the Mostazafin (deprived) Foundation. The Sheraton, renamed Homa, is owned by Iran Air and the Ministry of Roads & Transport.

Hotel registers reflect Iran's shifting trading patterns. At one time, the Japanese dominated the guest lists, then the West Germans and Italians. Now it is the Turks. There are also many Belgians, Spaniards and the occasional Frenchman. Some say Americans make frequent trips, mostly with Belgian, Canadian or other passports of convenience.

Tehran is not the easiest or most attractive city for the international business traveller. Getting into the country can often be a problem. An invitation from a local organisation is needed – and waiting time for visas can vary from days to months, depending on Iran's sense of urgency and the influence of the local host.

Since March 1985 Swissair has been the only foreign airline flying to Iran. It delivers passengers to Iran Air at the southeastern city of Bandar Abbas. British Airways, Lufthansa and others may resume flights in spring 1986, depending on war developments.

Air turbulence

Iran Air flies to most European destinations and to a few points east. In summer 1985 it was so fully booked — mostly by Iranians — that seats had to be reserved weeks or months in advance. Even then there was no guarantee that a traveller with a reservation could get on the plane. There were fist fights amid the chaos at Tehran's Mehrabad airport. Dozens of Iran Air employees are said to have made fortunes by charging up to IR 100,000 ($1,050) to "confirm" reservations. Such was the scale of the bribery and disorder that it resulted in press articles and the reported dismissal of 19 Iran Air employees.

Finding a seat on Iran Air is no longer a problem following the government's September clampdown on foreign exchange for Iranian travellers. Food and service have also improved dramatically during 1985, some passengers claiming that the cuisine is the best of any airline. Check-ins and check-outs at Mehrabad, however, can be a trying experience for passengers unused to tight security and customs inspections.

Overseas visitors can take as much foreign exchange into Iran as they wish, but have to account for it when they leave. With the US dollar worth IR 650 on the black market – about seven times the official rate – many are tempted to smuggle in as much currency as possible.

In Tehran itself there is little sign of the war. Travel around the country for most visitors is easy and cheap, though diplomats need permits to venture beyond a 40-kilometre radius of Tehran. Getting around the capital is also inexpensive: a hired car may cost about IR 500 ($5.30) a trip, though hotel cars can cost more. A private traffic ban in the city centre during office hours makes movement easy, but in the afternoons the traditional Tehran traffic jams take over.

Businessmen encounter the occasional official lecture on the evils of the West, but meet with no hostility from ordinary Iranians. Entertainment is sparse but alcohol is freely available through the local Christian community and from rich Iranians. The excellent locally made vodka, often available in labelled and sealed bottles, is surprisingly cheap at IR 2,000 ($21 at the official exchange rate, $3 at the black market rate). Local whisky and other spirits are rather more dubious propositions.

The businessman anxious for social diversions is wise to cultivate as many friends as possible among the local Christians and the upper middle classes. Lavish parties in luxurious homes are organised most nights of the week.

Local television and radio are hopeless, but there is a surprisingly wide choice of magazines and books. The Financial Times, Le Monde, The Guardian Weekly, Time and Newsweek are available at most hotels and many newsstands. Only the censor's ink across the occasional bare female leg or breast reminds you that this is an Islamic republic.

A casual glance at one of the hotel bookstores reveals many thrillers, and such authors as Jack Kerouac and Jerzy Kosinsky. Even those pining for the days of the Shah can find a solace of sorts: pre-revolution "promotional" books like D R Denman's The King's Vista and Hossain Amir Sadeghi's Twentieth Century Iran are still available.

Things are not what they were in Iran, but they are not as bad as some imagine. "Some of our first-time guests want to know if they can safely go out in the street and are amazed at the availability and variety of food," says one hotel manager. "They come with many preconceptions, but soon shed them," he adds.

/9317
CSO: 4600/196

EIGHT THOUSAND HECTARES OF LAND REPOSSESSED

Tehran KEYHAN in Persian 9 Nov 85 p 2

[Text] Sari, KEYHAN Correspondent

The prosecutor general arrived in Sari last Thursday to study the judicial problems of Mazandaran Province and the changed lands of the forest and prairie areas of the western part of that province. He was welcomed by the judicial and executive authorities of the province.

Then Hojjat ol-Eslam Musavi-Kho'iniha, the prosecutor general, in two separate sessions with the judicial authorities of the province, examined the judicial problems and asked for sufficient change and movement in the judicial organizations.

On the other hand, in an interview with IRNA concerning the changed forest and prairie lands, the prosecutor general said: Following the reports of the officials of Mazandaran Province, particularly the Friday imam of Nowshahr, concerning the changed lands of Mazandaran and on the basis of the visits that were made during this visit, it became clear that the individuals to whom the changed lands were transferred during the previous regime were close allies of the past regime. Hence, in accordance with the decree of the imam concerning the confiscation of the property of those affiliated with the tyrant's regime and also because of the conspiracies that took place in this regard during the past regime, the decree was issued for the repossession of 800 hectares of changed lands to be confiscated by the revolution court after going through administrative stages. Concerning the future of these lands, he said: The officials of the province have been asked that a more comprehensive report be prepared on the situation of the changed lands and the farmers of the region so that in the near future proper plans will be implemented in connection with these lands. Concerning the possibility to implement this decision in other provinces of the country, the prosecutor general said: Before investigating such problems first hand and until the specifics of this issue are clarified in judicial terms, one cannot say anything in general in this regard. However, what is certain is that throughout the country, if property and wealth is seen that have been unjustly possessed by the supporters of the previous regime or other people, we will take them away most decisively. Once again, he asked the Hezbollah nation, the executive and judicial officials and the revolution prosecutors to report on property which is unjustly at the disposal of individuals anywhere in the country in order to make more rapid decisions about them.

10,000
CSO: 4640/127

IRAN

PROSECUTOR GENERAL DECLARES MAZANDARAN LANDOWNERS DEEDS VOID

Tehran KEYHAN in Persian 9 Nov 85 p 2

[Text] Chalus, KEYHAN Reporter. Hojjat ol-Eslam Musavi-Kho'iniha, the prosecutor general, who has traveled to this province to study the situation of the owners of changed forest lands in West Mazandaran, took part in the worshipping political Friday prayers of Nowshahr yesterday.

Before the prayer sermons, he spoke in detail about the law before and after the revolution and the attitude of the judicial authorities of the country towards the supporters of the monarchical regime and the situation with regard to the forest lands in West Mazandaran.

Hojjat ol-Eslam Musavi-Kho'iniha, the prosecutor general, first in connection with the existence of law in the society and the philosophy of the appearance of law said: In human relations, some individuals possess motivations for aggressiveness and aggression on other people's rights. The guardian of the Muslims in an Islamic society must prevent aggression on others. The law has been devised for identifying the limits of the people's rights in the society and preventing injustice and oppression as well as defending the rights of the oppressed in order to clarify the boundaries. And if today the Islamic Republic emphasizes that the law must be implemented, it intends to stop the hand of the oppressor and retrieve the rights of the oppressed so that if a judicial official knows that by issuing a legal ruling, the rights of an oppressed person is violated, such a ruling would be sinful and at whatever price it must not be allowed to violate the rights of the oppressed. He added: The law is designed to prevent the aggressor and the oppressor rather than as a tool to promote oppression and aggression.

The prosecutor general added: Those who disregard the revolution and Islam and had no role in the revolution and the Islamic Republic, neither before nor after the victory of the revolution, have no right to complain or make claims and the judicial and law enforcement authorities must not consider them in the right. They must not allow individuals who in the past regime engaged in every kind of oppression and debauchery to continue their past actions under the protection of the Islamic Republic, because the law itself will become discredited in the society. He added: We cannot sit by and allow a person who was corrupt yesterday during the time of the shah and who violated the rights of the oppressed under the protection of the shah to do the same today

under the protection of the Islamic Republic. It would be impossible for us to remain silent and not to speak. We must speak and expose them.

The prosecutor general added: The law must be implemented by a person who is familiar with the spirit of the law and considers it [as a means] to ensure the rights of the oppressed.

He said: Today we must try and our revered clerics especially must follow up to identify and expose such individuals.

In another part of his speech in the gathering of the worshipers of Nowshahr, he added: In the past regime some of the destroyed forests in the north of the country which were distributed among the livestock farmers in 10-hectare plots in a seemingly legal form are now being managed by the same owners or their agents. It is not proper to say that since these people have the deeds, they are the owners of the lands. It would be ridiculing the law to have the forests and the property of Muslims which should have been placed at the disposal of their true owners, that is the livestock farmers and farmers, even in accordance with the past laws, entrusted to people, some of whom are fugitives.

He added: In the Islamic Republic this group cannot claim to reown the lands. Even if they intend to return, they must know that they cannot return. If you study the lives of such individuals, they and their whole family together cannot give back to the society what they have taken.

Referring to the decree of the imam concerning the confiscation of the property of those affiliated with the past regime, he said: Since the changed lands under discussion were transferred to them during the past regime and are also among the confiscated lands and such individuals no longer have any rights, if the cases of such individuals are investigated with results favorable to them by judicial authorities even such an authority must be punished.

He added: The Justice Department and the law enforcement of the province of Mazandaran must know from now on that the previous owners of the hectare lands do not have the right to return to those lands.

Then Hojjat ol-Eslam Fazel Ferdowsi, the Friday imam of Nowshahr, also in the second sermon of the prayers, spoke about the treasonous acts of the previous regime especially in connection with transferring the changed lands. Endorsing the statements of the prosecutor general, he said: I am sure that the people of this area will support this revolutionary action and for this reason this action is a ray of light shining in the hearts.

According to this report, Hojjat ol-Eslam Musavi-Kho'iniha along with the supervisor of the governor general's office of Mazandaran and Taha'i the Friday imam of Nowshahr, Hojjat ol-Eslam Fazel Ferdowsi and a group of the officials of this province visited the 10-hectare land plots of the villages of Khoshkolay, Osmankala, Latingan, Shufsakaj, and Khoshkehdaran, and the coastal lands of Anderur. In this visit, the issues and problems of the villagers in connection with the shortage of agricultural land were studied.

IRAN

OVER 500 THOUSAND TONS OF GOODS UNLOADED AT PORT

Tehran BURS in Persian 7 Nov 85 p 2

[Text] In order to desalinate water in Chahbahar, 10 desalination units have been purchased. After installation, each of these units is capable of desalinating 500 cubic meters of water per day.

After the official announcement of the development budget for the College of Navigation and Marine Science of Chahbahar, this scientific unit will be able to accept students for engineering, ship engine mechanics, as well as officers in the fields of communication and electrical studies.

A few of the officials of the city of Chahbahar in an interview with the reporters of press, radio and television, explained the main activities and actions of this city separately.

According to IRNA reporters, first Alizadeh, the Director of the Port and Shipping Organization of this city pointed out that the area of Martyr Beheshti Port of Chahbahar is 108 square kilometers, of which 36 kilometers are unloading docks with two covered wharehouses with an area of 18,000 square meters. In order to minimize ship lay over time, the Port and Shipping Organization of this city unloaded rice and fertilizer at Kenarak port through 21 January 1985, but due to the rapid installation and inauguration of four 25,000 ton piers at Martyr Beheshti Port, beginning in January of this year, the volume of unloaded goods has increased noticably. In 1984-1985, over 502,000 tons of goods were unloaded at the port and at the same time, 509,000 [sic] tons of goods,after being unloaded, were transported throughout the country. In order of priority, these goods included chemical fertilizers, wheat and barley, sugar, tea, iron, and ironware.

He added: "Considering that the port was closed for 3 months (6 July- 6 September) due to bad weather and the decrease of imported goods, the amount of goods unloaded during the first seven months of the current year decreased 125,000 tons."

He added: "At present, 3 ships are in the process of unloading and 4 ships are waiting to unload. A maximum of 3500 tons of goods are unloaded and transported by 80 to 90 trucks throughout the country."

In regard to the installation of the desalination equipment, the Director of the Port and Shipping Organization said: "According to a signed contract with the Krupp Company of Germany, we have purchased 10 desalination apparatus from this company; 5 of them have already been received and the other 5 will be shipped gradually."

In emphasizing that each of these desalination apparatus is capable of desalinating 500 cubic meters of drinking water daily, he said: "Construction for the installation of these devices has started and its technical work will be completed by German specialists very soon."

In conclusion, Alizadeh referred to the problems of this organization and called the rapid depreciation of machinery due to water and soil conditions, shortages of truck spare parts and tires, housing machinery and the lack of city resources. He indicated that the mentioned factors have caused the decline of the arrival of trucks to this port.

Then Mobasheri, President of the Navigation and Marine Science College of Chahbahar, stated in an interview: "This college has accepted students for three terms" and added: "The Navigation College is able to meet the country's needs in the area of the decks [sic]. Also, this unit is capable of meeting the demands of other organizations for training their cadres, but is not giving certificates to them." In regard to the shortage of professors in this scientific unit he said: "At present, this college has 5 full-time professors, two of whom are teaching the principles of science at the college and other 3 are engaged in practical teaching at sea."

9815/13068
CSO: 4640/132

IRAN

NON-OIL EXPORTS INCREASE 18.4 PERCENT

Tehran BURS in Persian 23 Oct 85 pp 1-2

[Text] The non-oil exports of the country in Shahrivar [23 August-22 September] this year increased by 18.4 percent in value compared to a similar period last year.

According to the statistics published by the Iranian customs concerning the operation of the national customs in Shahrivar [21 August-22 September] this year, in the area of imports in the same month last year, 1,398,512 tons of goods entered the customs of the country and 1,212,164 tons at a value of 92,808,465,000 rials were released from various customs.

Imported goods increased by 14.68 percent in weight compared to a similar month last year and goods released decreased by 6.5 percent in weight and 9.7 percent in value compared to a similar month.

The inventory of goods at the end of this period was 99,825 tons. In regards to exports in the month in question, the exports of this country, excluding oil exports, involved 20,209 tons of goods at a value of 2,229,099,000 rials, which compared to a similar period in the previous year increased by 8 percent in weight and 18.4 percent in value. In the month in question, 235,267 passengers entered the country through the country's air, land and sea customs, of whom 193,643 were Iranians and the remaining 41,624 were foreign travelers. Also during this period, 221,879 passengers left Iran, of whom 186,844 were Iranians. Most of these travelers left through Mehrabad, Bazargan, Bandar 'Abbas, Bandar Bushehr and Mirjaveh customs. The revenues of the customs in Shahrivar [23 August-22 September] amounted to 2,535 billion rials.

10,000
CSO: 4640/128

IRAN

SEVENTY PERCENT OF NON-OIL EXPORTS SAID TO BE AGRICULTURAL

Tehran BURS in Persian 7 Nov 85 pp 1-2

[Text] The fourth special International Exhibition of Agricultural Industries and Machinery, Animal Husbandry and Irrigation was inaugurated in a special ceremony held at the permanent exhibition center in Tehran.

According to the IRNA reporter, the undersecretaries of the ministries of agriculture and commerce, the Italian and Australian ambassadors to Tehran, a few director generals of the Ministry of Agriculture, specialists, some of the model agriculture extension workers and farmers were present at this ceremony.

First, the Director of the Center for the Expansion of Iranian Exports said in a speech: "Attaining complete independence is not possible in the present world without economic self-sufficiency. As we all know, in the Islamic Republic of Iran, agriculture is recognized as the axis of economic expansion. Therefore, agriculture has been given a special priority in government plans." He added: "Since at present, strategic world trade in agriculture products is mainly the monopoly of America and the countries under its domination, the developing nations must use all their efforts to produce their basic agriculture consumption in order to become self-sufficient."

He mentioned that at present, over 50 percent of the non-oil exports of the country are agricultural, and considering handmade carpets and village handicrafts as rural products, this figure exceeds 70 percent. He added: "There are great potential possibilities in the agricultural sector and if we use them properly to improve the packing of agricultural goods to eliminate problems related to the storage and transport of these goods, the export of agricultural goods will increase tremendously."

In another part of his speech he stated: "The Center for the Expansion of Iranian Exports revised its exhibition policy last year and has considered special priorities in arranging exhibitions which are greatly effective in increasing the technical knowledge of the related specialists and the officials of agriculture and industrial economics of the nation, whereas in the past, mainly the international trade exhibitons were taken into consideration." He said: "Italy and Australia, which at present have vast commercial relations with the Islamic Republic of Iran, participated in the fourth International Exhibition of Agricultural Machinery and Industry, Animal

Husbandry and Irrigation along with the Ministries of Agriculture and Heavy Industry, the Foundation for the Oppressed, the Shaheed Foundation, the Scientific and Industrial Research Organization of Iran and other corporations and institutions which are active in providing the needed technology and machinery for this sector."

According to this report, Mr Jalal Rasul, the undersecretary for Farming Affairs of the Minsistry of Agriculture, in a speech welcomed and thanked the countries of Australia and Italy for participating in the exhibition and said: "The fourth International Exhibition of Agriculture Machinery and Industry, Animal Husbandry and Irrigation, in fact is the first agricultural exhibition held in Iran since the revolution." He said: "In this exhibition, the organizers, specialists, farmers and Iranian participants have exhibited with the minimum existing possibilities their agricultural products. We hope that by arranging more of these kinds of exhibitions, we will be able to shorten the period of self-sufficiency."

The same report indicates that the Ministry of Agriculture is the biggest participant in the exhibition. This ministry displayed the country's agricultural activities inn 3000 square meters of open space and 2575 square meters indoors.

9815/13068
CSO: 4640/132

IRAN

IMPORT, EXPORT VALUE OF GOODS FOR LAST FOUR MONTHS ANNOUNCED

Tehran BURS in Persian 22 Oct 85 pp 1,5

[Text] During the first four months of this year, 114,000 tons of non-petroleum goods at a value of 9,932 million rials were exported from the various ports of our country. According to IRNA, quoting the statistics of Iranian customs, during the first four months of this year, more than 5 million tons at a value of 341.3 billion rials were imported to Iran from the points of entry. This amount showed a decrease of 18 percent in weight and 33 percent in value compared to the previous year. Also, during the period in question, 114,000 tons of non-oil goods at a value of 9.9 billion rials were exported which compared to the first 4 months of '63 [21 March 1984-20 March 1985] increased by 61 percent in weight and decreased by 2 percent in value.

It should be pointed out that during the first 4 months of '63 [1984-85], 6,276 tons of goods at a value of 512.6 billion rials have been imported into the country and 70,000 tons of non-petroleum goods at a value of 10.2 billion rials were exported from the country. The statistics of the major figures of exports of the country during the first four months of this year show that the export of handwoven woolen carpets continues to be the highest figure of the non-petroleum Iranian exports. The value of carpet exports amounted to 2,167,084,000 rials which was about 22 percent of the total non-petroleum exports in terms of value. Various kinds of hides at a value of more than 1,537,000,000 rials during the same period held the second position among the non-petroleum exported goods. Bandar 'Abbas customs with the release of 2,333,000 tons of goods at a value of more than 83 billion rials, which is about 25 percent of the total released goods in the first 4 months of the current year has been the most active Iranian customs.

10,000
CSO: 4640/128

IRAN

MORE COMPANIES REPORTEDLY MANAGED BY PUBLIC SECTOR

Tehran BURS in Persian 7 Nov 85 pp 1-2

[Text] The Iranian Statistics Center has published a book printing the statistics of large industrial companies managed by the public sector in 1362 [21 March 1983 - 20 March in 1984]. Based on these statistics, of 7,128 large industrial factories, 986 were managed by the public sector and compared to 1361 [21 March 1982 - 20 March 1983], this is an increase of 4 more factories. The provincial distribution figures indicate that of 986 factories managed by the public sector, 374 (37.9 percent) are located in Zanjan Province, 75 (6.6 percent) are located in Esfehan and the remaining 370 industries (37.5 percent) operate in other provinces. The distribution of industries managed by the public sector operating in different fields indicate that 177 factories are for self-sufficient non-metal goods (except oil) and coal products and 174 factories are for clothing, weaving and leather and they rank from first to third place.

The value added of industrial factories managed by the public sector in 1983-1984 was over 635.8 billion rials. Compared to 1982-1983, this is an increase of around 16.4 percent. In 1983-1984, over 385,000 people were working in factories managed by the public sector and compared to the previous year, this is an increase of over 18,000 persons (15 percent).

The average wage and salary of employees of industrial factories managed by the public sector in 1983-1984 was equal to 934.9 thousand rials which compared to 1982-1983, is an increase of around 11.1 percent. The work revenue in industiral factories managed by the public sector in 1983-1984 was over 1650.1 thousand rials which compared to the previous year, shows an increase of around 11 percent. New investment in industrial factories managed by the public sector in 1983-1984 was equivalent to 61.6 billion rials, which compared to 1983, shows over a 23 percent increase.

The percentage study of the value of consumed primary foreign raw materials to the total value of the primary consumption materials in the industrial factories managed by the public sector in 1983-1984 indicates that 55.7 percent of the primary raw materials used are foreign raw materials, which compared to the previous year,is an increase of 0.5 percent. Among the various fields of activities, miscellaneous industries with 79.5 percent have used the most, and wood and woodcraft industries have used the least primary raw materials.

9815/13068
CSO: 4640/132

IRAN

PIPELINE CONSTRUCTION PROPOSALS CONTINUE

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 14 Dec 85 p 16

[Text]

Italy's *Saipem* and South Korea's *Daelim Industrial Company* have received letters of intent to lay pipelines to connect the southern oil fields with the IGAT-2 gas line and the line with Taheri, on the Gulf (MEED 7:12:85). The contracts, which will take effect on receipt of downpayments, are together worth $ 260 million; they are for completion in seven months.

Saipem's $ 150 million order is to build a 56-inch-diameter, 102-kilometre line from Gachsaran to IGAT-2 at Nourabad. As part of the contract, the stretch of IGAT-2 between Nourabad and Kangan is to be adapted to carry oil. Daelim will install a 48-inch, 50- kilometre line between Kangan and Taheri; its order is valued at $ 110 million.

When both portions are complete, Iran will be able to export 1 million barrels a day (b/d) without using Kharg island. The crude will be loaded into tankers at single-buoy moorings (SBMs) off Taheri.

The IGAT-2 line was originally designed to take gas from the Kangan field to the Soviet Union, but this idea was scrapped in 1980 because of a price dispute. It was then suggested that the line could be for domestic use. It will now carry exports, when necessary, as well as pumping gas back to Ahwaz for secondary oil recovery.

The scheme is the second pipeline proposal since the late-summer Iraqi attacks. The other is for a $ 500 million, 1.5 million-b/d twin line to run 380 kilometres from the Kharg island pumping station at Gurreh to terminals at Taheri and Asaluyeh. The first 172 kilometres should be complete within seven months of contract signing.

Three companies are vying to supply the pipe, with five groups competing for the assembly contract (MEED 30:11:85). The bid opening was scheduled for 5 December in Tehran; none of the contractors can confirm that it took place.

Once both schemes start up, Iran will be able to export more than its 1.6 million-b/d OPEC quota – even if Iraqi air raids put the Kharg terminal out of action.

/9317
CSO: 4600/195

IRAN

OFFICIAL DETAILS PRESENT INDUSTRIAL SITUATION, FUTURE PROJECTS

Tehran KEYHAN in Persian 5 Nov 85 p 19

[Interview with Deputy Minister of Heavy Industries Morteza Haji by KEYHAN; date and place not specified]

[Text] KEYHAN economic service. Morteza Haji, the deputy minister of heavy industries, explained in an exclusive interview with KEYHAN the current policies of this ministry in the area of the growth and development of industries, new priorities in industrial projects, moving on the course of industrial self-sufficiency and industrial independence, the transfer of technology and the procurement of specialized and other forces.

The deputy minister of heavy industries also explained the situation with regard to work production in the Iran automobile factory, the production of new model Renault cars, studies on the plan to choose a substitute for the Peykan sedan, and the trend towards increased production in the industrial factories.

The text of the interview with Morteza Haji by KEYHAN's economic reporter follows:

KEYHAN: What is your analysis of the existing situation with regard to national industries?

[Answer] Before the Islamic revolution, the industries in our country were moving towards creating consumer industries which while creating consumer goods for the country would also be a good market for absorbing spare parts and raw materials from other industrial countries.

But, while most of these factories were created by the large industrial units of developed countries, if we compare these units with similar ones that they built for themselves, we see that the essential sections taken into consideration for themselves were ignored in our country. These are especially the parts which could have played a role in the self-sufficiency of that industry in this country.

For example, the division of research and innovation has not been included in most of these units at all, whereas it is one of the most fundamental parts of every industrial unit. Hence, the units that have been created had to operate in accordance with the opinions of their foreign builders and whatever they provided was assembled and delivered.

This was the essential role of our units. In the same way, specialized skilled manpower trained to run the country was ignored. In other words, no plans existed for us to have the specialized and skilled manpower to manage the national industries. Only colleges and institutes existed that produced a number of engineers and technicians which could by no means respond to the needs of the country.

Today, one of the most essential tasks that we must engage in for the growth and flourishing of our national industries is to create research and innovation divisions in the country and the industries and secondly to train specialized skilled manpower able to operate and advance the industrial sector.

Elimination of the Problem of Industrial Dependence

KEYHAN: What must be done to break the links of dependence and raise the quality and quantity of the existing national industries?

[Answer] It must be noted that the dependence of the industries of our country on other countries is relatively strong and the problem cannot be solved by slogans and other means. It requires much effort and huge investments. Take, for example, automobile production: the main parts are manufactured abroad and must be assembled here. We do not have sufficient existing resources to build the main parts; hence, we need new resources and we must acquire these resources through investment. Therefore, what we must do in this area is create new factories and on the other hand the necessary manpower must also exist to work in these factories.

Hence, it is necessary to invest in creating factories and in training a work force able to do industrial work.

Now, regarding such investments, particularly given the present situation of our country, there are problems and the operations of various sectors of the country must try to minimize these problems. Anyone who wants can make investments and the Ministry of Industries will approve any sort of work that that person must do and will give him priority. Such a person will face many problems in terms of procuring needed land, water, electricity and construction materials, which will result in no return on his investment for two or three years or sometimes even longer. Such a burden might be difficult for that person and people are not inclined to invest much in this regard. Because of the problems that I mentioned, fewer agreements in principle reach the stage of investment and operations within the projected period. Therefore, in this case, the problems of electricity and land particularly are among the main problems facing the investment applicants and such obstacles must be eliminated as soon as possible.

Increase in Technical Knowledge

KEYHAN: Quantitative and qualitative advancement is gained through the increase in technical knowledge, a specialized work force, and tools. What steps have been taken in this regard?

[Answer] This is correct. We support it and are trying to invest in all the three areas that you mentioned.

In order to promote the technical knowledge of the employees, we have of course had some negotiations with the ministry of labor concerning the retraining of workers who must take steps through their own training centers. Naturally, a worker trained 15 years ago is not familiar with the new methods and the 15-year-old equipment has worn out and requires new changes and our technical workers must also be be retrained.

In this regard, what you said is correct. We must pursue the investments that are required.

KEYHAN: What plan do you have and what is your opinion in regards to creating fundamental industries?

[Answer] Heavy industries generally are conferred the role of essential and parent industries in the country and are considered to be fundamental to the country. The projects that we lack in heavy industries are divided into two parts. Some are large projects which require great investments and some are smaller projects that can be carried out through such means as the direct investment of the people or the cooperative companies.

In regards to the larger projects—which incidentally we need more of today, because of the essential role they play—considering the financial and economic situation of government and the existing investments, it seems that the banks and generally the economic organizations must play an important role. In other words, the banks, the Foundation for the Oppressed and other foundations that have the financial resources and are able to invest and who might have been negligent so far, must engage in production and the development of industries. Hence, we have invited and will invite them and have also announced our projects to the public. We welcome the investment of economic units and those who are interested in such areas.

Also, in regards to the smaller projects and those in which people can invest directly, we have made announcements and will do so again. However, as I said, since enduring the long period of time when such capital remains stagnant is difficult for every investor, we must think of some solution and the industrial townships and the Ministry of Energy must help provide the sector which is ready to invest with these resources rapidly so that the investors are able to create factories more rapidly and bring them to production.

Planning for Growth and Development

KEYHAN: We need planning for economic growth and development. What steps has the Ministry of Heavy Industries taken in this area?

[Answer] As we said, for the growth and development of the heavy industries of the country, we have prepared a five-year plan which has been revised several times. We have prepared an approximate list of the projects that must come to production during these five years through the government and private sectors or the economic organizations. Of course, other needed resources which might be provided can be divided into three groups:

1. The automobile and engine group.

2. The machine and equipment manufacturing group.

3. The foundry and metal transformation group.

In the first group (Chart No 1), 49,159.7 million rials of credit funds and 93,734 million rials of currency funds have been projected for 21 projects, a total of 142,893.7 million rials in funds.

In the second group, that is the machine and equipment manufacturing group, 30,526.02 million rials in rial funds and 40,591.02 million rials of currency funds (a total of 71,117.04 million rials) have been projected for 37 new and developmental projects.

For the third group, foundries and metal transformation, 29,203 million rials in rial funds and 13,824.9 million rials in currency funds, a total of 40,027.9 million rials, have been allocated to 11 new projects (Chart No 2).

Elimination of the Assembly Industries

KEYHAN What effect did the separation of three industrial ministries have on the gross national product and growth?

[Answer] Because it was decided after the victory of the Islamic revolution that assembly industries would no longer be produced to the extent that foreigners direct them and control the future of our industries and that we should to move towards economic independence, it was necessary to advance somewhat more in terms of more specialization.

The section for the procurement of raw materials was conferred on the Ministry of Mines and Metals; the section for building factories and manufacturing equipment was conferred on the Ministry of Heavy Industries; and the sector for the production of goods that are sent to the consumer market when they come out of the factories was conferred on the Ministry of Industries. This was necessary because in the past there was no need for any force to impose its policy on the industries of the country; there was no need for anyone. The only control was made in the volume of transactions and purchases. However, questions related to industrial policy, what and how industrial products must be produced, to what

percent industries must be self-sufficient and so on were not important. Therefore, they worked with one ministry. But now that the industrial direction is an issue, policy planning and supervision over the implementation of projects must also be carried out. Therefore, there was a need for precisely three ministries, and it is for this reason that the Majlis accepted this separation. Since the Ministry of Heavy Industries has worked for three years on a trial basis and we have seen that it is necessary for the progress of the national industries, once again the Majlis ratified the permanent law of the ministry.

In the course of the period that that ministry has been functioning, the indices that have been published by the Central Bank and the Statistics Bureau show industrial growth and investments in the industrial sector. For example, in the area of gross national growth, it has been announced that in the heavy industries of the government sector alone, we have had a growth rate of 28 percent in '62 [21 March 1983-20 March 1984] and 24 percent in '63 [21 March 1984-20 March 1985] compared to '56 [21 March 1977-20 March 1978].

Industry and Transfer of Technology

KEYHAN: The transfer of technology to the Third World countries is an important issue on the international level. What way do you anticipate for industrial relations with the developed countries?

[Answer] The issue of the transfer of technology is a very proper issue and we must try to bring the technology and technical knowledge for whatever we want to produce into our country.

But, there is an important issue here, which is the ability to absorb such technology. In other words, in our contracts we can include the issue of transferring the technology for manufacturing individual products here and for the second party to the contract to agree to it. But, on the other hand, if we do not prepare the grounds for absorbing such technology, we will have worked in vain. It would be like teaching sixth grade lessons to a first grade elementary school student. Naturally, even if the teacher says that it can be done, the student is incapable of understanding such lessons. Therefore, here again, we come to the role that the university educational centers can play in this, in training experts in the best possible way in our country and ensuring that we will be able to absorb the technology. We must be trained such that even if the foreign country is not inclined to do so, we ourselves can absorb the technology in any way possible.

Support for Domestic Products

KEYHAN: If support for domestic products is important for achieving economic independence, why are we witnessing examples such as advertisements in the press for the sale of 1985 zero-mileage cars in various colors?

As far as we have a role and our authority and power allows, we will provide for the production capabilities of the country. The ministry does whatever is necessary for domestic production including preventing the import of equipment and goods that are manufactured by heavy industries and are produced in sufficient numbers in the country. But other government centers and organizations have policies, for

example, to encourage experts to return to the country and serve the people. There were certain regulations for such individuals as students and employees to import one car. Fortunately, with the steps that were taken by the Ministry of Heavy Industries, this ratification changed and instead of importing cars, it was ratified that the heavy industries give priority to providing them with domestically manufactured cars.

Desirable Use of Capacities

KEYHAN: What programs has the Ministry of Heavy Industries carried out to solve the problems and difficulties remaining from the past and to what extent has it been successful in eliminating them?

[Answer] When this ministry was established and working on a trial basis during its first three years, one of the first problems it faced concerned the issue of the desirable operation of the existing capacities, because previously the capacities were not used in the best possible manner and there was no logical relation among the industries in the country. Consumer industries grew more rapidly than investment and mediate industries. The problem of the low level of quality and also the issue of the extraordinary dependence of the industries of the country on foreign countries and the low level of implemental and industrial studies and research capability of the country were among the problems that the officials of the ministry faced.

Initially, one of the steps that was taken was to assign priorities, which began with the establishment of a committee to increase production. In our opinion, we took the first step towards self-sufficiency.

The second issue taken into consideration was that of assigning priorities in industry, which must be dealt with more thoroughly. In this area, priorities were assigned to the machine manufacturing industries as well as the production of products that would mostly provide for the general needs of the country, such as industries that must be placed at the disposal of the agricultural sector or industries involving buses, trucks and turnery machinery, and it was also decided to which sector of the industries we must give more or less in terms of resources.

There was the stage of establishing the manufacturing follow-up committee in which the issue of self-sufficiency was studied, and by classifying the parts we began to increase domestic production through the issuance of agreements in principle with the aim of eliminating some part of the imported parts. Thus far, results have been achieved involving about 10 percent of the parts that were on the agenda of the manufacturing and follow up committee and they have been omitted from the import list. The next stage was the establishment of the headquarters for quality control and dealing with the quality of the products of affiliated factories. In this area, monthly reports and relative success has been achieved in this area. At the same time, with the improvement in quality, we have also had growth. Another stage is to advertise and encourage investments. The responsibility of the Ministry of Heavy Industries has been to prepare plans and proposals to help applicants for creating industrial units. In this area, nearly 5,000 agreements in principle have been issued and about 210 billion rials in investments have been agreed to in the first 3 months of '64 [21 March 1985-20 March 1986]. Of this volume of

investments, 41 percent is in machine and equipment manufacturing, 35 percent in the area of foundries and metal transformation, and 24 percent in vehicle industries and engines. This ratio is interesting and shows the existing direction in the area of self-sufficiency.

Also, continual follow-ups for such developmental projects as the plans for the development of Arak machine manufacturing, wagon manufacturing, Persian Gulf ship building, mining machinery projects, textile machinery and other projects were carried out and good results were obtained. Each of these units once they begin will play an essential role in the self-sufficiency of and currency conservation of the country.

In the same area, a series of studies have been made concerning the new industrialization projects, including the copper industries side project, road building machines, agricultural machinery, and plans to increase bus and truck production.

Reason for Decline in the Production of Factories

KEYHAN: Why did we witness a decline in production of 17 percent in the first 3 months of '64 [21 March 1985-20 March 1986] compared to a similar period in the previous year?

[Answer] This decline in production occurred despite the program for production increase pursued by the ministry. This occurred under the circumstances in '63 [21 March 1984-20 March 1985] during which we had an 11 percent production increase over '62 [21 March 1983-20 March 1984], a trend which continued into late '63 [1984-85]. In late '63 [1984-85] and early '64 [1985-86] we faced certain problems such as currency restrictions for the procurement of raw materials for factories. This problem was more severe in Iran Khodrow, which is a large factory and has a higher share in the procurement of raw materials, so that we were forced to stop the Peykan production line for a while. Hence, this problem as well as other problems, such as electricity outages during the factory's working hours as well as the summer holidays, were on the whole factors that decreased production compared to the past. Efforts were made to harness these problems so that production trends changed in the following months and by the end of Mordad [23 July-22 August], the production decline decreased from 17 to 10 percent.

Reasons for the Increase in Currency Needs

KEYHAN: How is it that the level of currency needs for the purchase of spare parts and raw materials increases every day?

[Answer] When we increase production, naturally we need more raw materials and since we have no raw materials or have a shortage, we have to procure them from abroad. Therefore, with the increase in production, an increase in the currency share for raw materials is quite necessary.

Currency needs for spare parts are again somewhat similar to the earlier problems. Perhaps previously due to the abundance of machinery of various kinds the users did not sense that after 10 or 12 years they must repair their machinery and change their parts.

But under the present conditions, considering the policy being imposed, maximum conservation and use of resources must be made. It can be said that much of the machinery out of operation has been rebuilt and reused. Hence, the need for spare parts has increased. While much of these spare parts are procured from domestic production, the increase in machinery has been so great that we must import parts from abroad as well. Hence, the need for more currency for the import of spare parts comes because we do not dispose of machinery quickly.

Is the Distribution of Vehicles Fair?

KEYHAN: Why must the "fair distribution of vehicles" be accompanied by "the patience of the applicants for several months"?

[Answer] Because of the lack of balance between supply and demand, we are forced to impose a series of conditions and regulations on the distribution of passenger and even non-passenger vehicles.

An investigation of the applicant's condition, considering the large number of applicants, requires some time. Given the ratio of the number of applicants to factory production, certain waiting periods must be considered for the delivery of cars. On the other hand, the probable fluctuations that are created in the production situation sometimes result in commitments not being carried out on time and have a few months delay.

Hence, people must be patient. Of course, in the particular case of Peykan cars, the lottery for which should have taken place earlier and was postponed, the delay was due to the halt in production in Iran Khodrow for a limited period of time. Hence, after the problems of the factory were resolved, a lottery for the applicants was also carried out. In any case, all the factors that were mentioned along with our main problem, which is the war, caused the halt in a series of our programs during certain periods of the year.

In regards to the level of production, I must say that at the present approximately 100 Peykan sedans in are produced Iran Khodrow daily and along with them 45 Peykan vans, 4 minibuses and 6 buses are produced by the factory.

New Substitute for Peykan

KEYHAN: To what extent has the issue of choosing a substitute for the Peykan advanced?

[Answer] I must explain that choosing a substitute for the Peykan is not necessarily at issue; what is at issue is to choose a sedan appropriate to the conditions of the country in which not only the issue of self-sufficiency would be anticipated but which would also conform to the policies of the country and projected consumer models. Also, in terms of strength, power and durability it should be appropriate and the seller must give appropriate conditions set by the Islamic Republic of Iran. In this case, the issue of self-sufficiency is especially emphasized.

These proposals have been collected from the sedan automobile manufacturing companies and the necessary information has also been gathered. These proposals are now being studied. Every proposal is recorded on a chart and each is given a point in order to conclude which one gets the highest points.

Of course, a precise technical and economic study was necessary to do so. All the aspects must be studied. It will be a long study and require time in order to find the results.

New Model Renault Cars

KEYHAN: What is the goal in pursuing the production program for the new model Renault, and what is the situation of Renault production considering the new contract with Japan?

[Answer] Given today's conditions, when the studies to choose a proper sedan for our country have not been concluded, the Renault is a car that needs to be produced at the level that it is now being produced on a temporary basis, considering that the assembly line for it exists in our country. Once the final task of choosing a sedan car substitute has been concluded, then decisions will be made regarding the fate of the Renault accordingly. Of course, now temporarily this level of Renault production seems to us to be necessary for the country.

The parts that previously were made for Renault cars are being made now as well, and the new model Renault will be put on the market by Esfand '64 [20 February-20 March 1985].

Plan to Manufacture Motorcycles in the Country

KEYHAN: At what stage is the plan to increase the production of engines in the Iran Docharkh factory?

[Answer] The plan to increase the production of motorcycles in all producing factories is underway and they should produce to their fullest capacity with the resources provided them. Among them, Iran Docharkh is operating at full capacity and in two full shifts and one partial shift produces the motorcycle parts that are most useful.

Situation of New Contracts

KEYHAN: What will the effect of choosing and implementing new contracts with Japan and other countries be on the industrial growth and development of our country?

[Answer] The contracts that are presently being signed with other countries are no longer merely contracts for the sale and purchase of goods. Along with them other things which play an essential role are at issue. In response to the first question I answered, similar to the transfer of technology and needed manpower training, these are things that are anticipated alongside our agreements. Even in regards to the agreement that the private sector was to establish, if there is a unit which needs personnel, it must be taken into account in the agreement from where the personnel

of the unit are to be procured. Even for units that will have personnel numbering more than 500, it is necessary to have a training center in that unit and this issue will be followed up through the ministry.

If there is a need to train forces abroad, again, this must be anticipated in the agreement. Therefore, efforts are now expended to make certain that the transfer of technology, technical knowledge and training of forces is taken into consideration under the most appropriate time conditions and at the best prices in order for us to be able to achieve results.

Also, we take another point into consideration in the agreements and make projections for the future so that we are not faced with colonialist plans and our dependency. And if we do face such a situation, we would immediately and easily be able to change the agreement and sign a similar agreement with other manufacturing countries without being dependent on any country.

These are the new points that are anticipated and it is expected that they will positively affect the rapid movement towards industrial growth of the country the results of which, God willing, will be seen in the future years in the industries of the country.

Chart One: New Projects in the Vehicle and Engine Group

Name of Project	Rial Funds	Currency Funds
Axle and differential manufacturing for sedans and one-ton vans	2,186.1	2,813.5
Manufacturing gear boxes for sedans and one-ton vans	3,270.0	5,916.0
Production of engines for two-ton vans	1,998.7	18,090.0
Production of heavy duty truck axles	1,030.0	3,150.0
Production of gear boxes for heavy duty trucks	900.0	3,800.0
Production of rear and front axles for diesel vehicles	3,024.0	18,756.0
Manufacturing of diesel vehicle gear boxes	1,998.0	9,990.0
Trailers (Iran Eshtad development plan)	226.0	218.8
Agricultural trailers	310.0	188.8
Diesel engines ([Eidem], Dorman, Eshtad motor plan)	1,860.0	1,350.0
Dampers and concrete mixers.	5,230.0	1,151.0
Motorcycle engines	1,680.0	1,897.0
Motorcycle and bicycle tubes	2,414.3	1,127.7
Motorcycle and bicycle chains	474.4	234.4
Small agricultural gasoline engines	2,888.0	7,910.0
Injector, head injection and other engines	2,686.0	1,039.0
Bicycles	3,950.0	570.0
Generators	1,243.0	2,776.0
Locomotives	1,300.0	1,200.0
Freight cars, locomotives and Luder lines for mines	4,812.0	4,400.0
Total	49,159.7	93,734.0
Total Funds	142,893.7	(Figures in million rials)

10,000
CSO: 4640/123

NVOI CARRIES JOINT TUDEH-FEDA'IYAN-E KHALQ PARTIES MESSAGE

TA142034 (Clandestine) National Voice of Iran in Persian 1730 GMT 14 Jan 86

["Text" of message by Central Committees of the Iranian Tudeh Party and the Feda'iyan-e Khalq Iran Organization, Majority, addressed to the people of Iran and the world]

[Text] With immense anger and indignation we announce that once again a group of leaders and responsible cadres of the Feda'iyan-e Khalq Iran Organization, Majority, and the Iranian Tudeh Party, tormented and calamity-stricken Iranian people, have been delivered to the firing squad at the verdict of the Islamic Republic regime or have lost their lives under torture.

The Islamic Republic regime of Iran savagely violates even the most elementary rights and political and social freedoms of the people. In our homeland all parties, organizations, and any kind of political or even trade union activity are subjected to the most crude police persecution. Strikes, labor protests, peaceful assemblies, and people's marches are suppressed. Oppression and injustice against ethnic and religious minorities knows no bounds. The government insults and humiliates women with the most banal methods.

Scores of thousands of people have been thrown into prison solely for having opinions other than those preferred by the ruling regime. Political prisoners in Iran are subjected to extended physical and mental tortures. In many cases prisoners are dispatched to the firing squad without going through any trial at all. In all cases prisoners are deprived of the right to self-defense or the right to retain defense attorneys. All the accused are tried and convicted secretly, with no exception. The regime even refuses to deliver the corpses of the prisoners to those entrusted with the will or even to officially confirm the reports of the executions. The regime, with the power of intolerable tortures, tries to induce prisoners to deny their beliefs and to endorse the ideology and policy of the ruling reaction.

In recent months alone hundreds of people have been executed under the charge of defending peace and democracy, defending the rights of workers, peasants, women, and religious minorities, and for adhering to Marxist

beliefs. The resolution of the 40th session of the UN General Assembly regarding the violation of human rights by the Islamic Republic of Iran is an example of international protest against the escalation of atrocities by Iran's regime.

With deep indignation we condemn this brutal and criminal treatment of political prisoners. We respond to these crimes by intensifying the struggle against the repression and oppression that has been imposed on our people. We call on all progressive parties and organizations that defend personal and social rights and freedoms to utilize all their potential to prevent the massacre of Iranian political prisoners. We invite all people of our homeland to further raise their voice of protest against terror, repression, torture, and execution.

[Signed] Central Committees of the Iranian Tudeh Party and the Feda'iyan-e Khalq Iran Organization, Majority.

Dated 19 December 1985.

/9738
CSO: 4640/156

BRIEFS

HYDROCARBONS INDUSTRY--The government plans to spend IR120,000 million ($1,420 million) on developing the hydrocarbons industry in the Iranian year starting 21 March 1986. Of the total, IR 79,900 million ($950 million) will be spent on the oil sector, IR 32,100 million ($380 million) on the gas industry, and the rest on repairing damaged installations, Prime Minister Hossain Moussavi says. Presenting next year's budget to the majlis (parliament), Moussavi said projected oil revenues of IR 1,600,000 million ($19,000 million) will be 14.2 percent lower than in the present year. Total revenue will be down by 6.6 percent; current expenditure had been cut by IR 5,000 million ($59 million). However, defence spending will rise by 12.5 percent. Some of the figures provided by Moussavi differ from those issued by the official Islamic Republic News Agency (IRNA-MEED 7:12:85). The main discrepancy is in the amount of income--IR 3,288,500 million ($39,000 million) according to the prime minister, and IR 3,574,700 million ($42,400 million) according to IRNA. There has been no explanation for the difference. [Text] [London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 14 Dec 85 p 16] /9317

OIL FIELD WORK TRAINING--The UN Development Programme (UNDP) is to provide training for Iranians working at recently discovered oil fields near Bushehr in the south. An agreement with the Oil Ministry is expected in early 1986, a UNDP official in Tehran says. The fields are in the Mond mountains east of Bushehr and north of the Nar-Kangan gas fields. They contain very heavy crude which requires sophisticated recovery techniques. Six exploratory wells were drilled in the area in 1970; unconfirmed reports say reserves are substantial. Iranian interest in the Mond area's oil resources may have been revived because of the war. However, UNDP says training, development and exploitation will take several years and that the scheme as a whole is a long-term one with little relevance to the war. [Text] [London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 14 Dec 85 pp 16-17] /9317

SENIOR DIPLOMAT HEADS DISPUTE--France has appointed senior diplomat Jacques Martin to help to iron out financial disputes with Iran. The appointment, by External Relations Minister Roland Dumas, follows efforts by opposition politicians to organise a visit to Tehran. Martin will deal mainly with the question of a $1,000 million deposit placed by the late Shah's government with Banque de France (central bank) and frozen by the Paris government in

1979. The appointment is the first break in the legal deadlock about the issue; Martin is to visit Gehran soon at the head of a specialist team. There have been accusations that the appointment may be meant to pre-empt opposition moves to improve links with Iran. A group of parliamentarians including Jean-Marie Daillet, a member of the centre-right Union pour la Democratie Francaise (UDF) were scheduled to go to Tehran by mid-December to discuss trade and political relations, as well as moves to free French hostages kidnapped in Lebanon by a pro-Iranian group (MEED 7:12:85). But the trip has been delayed--perhaps indefinitely--following Iranian objections to the raising of the hostage issue. [Text] [London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 14 Dec 85 p 17] /9317

BANK NOTE PRINTED--The first locally printed bank note has been issued by Bank Markazi (central bank). It is worth IR 100 ($ 1.05) and carries a picture of Ayatollah Hassan Modarres, a radical religious leader who was imprisoned by Reza Shah in the 1930s. [Text] [London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 14 Dec 85 p 17] /9317

BANK MELLAT ASSETS ANNOUNCED--The spokesman of the Mellat Bank announced in a contact with IRNA: The total assets of the Mellat Bank at the end of Mordad 1964 [23 July-22 August 1985] amounted to 1,258 billion rials, including foreign cash note and coin assets, legal deposits, debt bonds of the banks, transactions carried out, concessions granted, partnerships and other assets and commitments. Compared to the balance in the previous year, this figure increased by 14 percent. Of the total assets of the Mellat Bank, 495 billion rials is the balance of loans and granted facilities, an increase of 19 percent over the previous year. The total deposits of the bank at the end of Mordad [22 August] amounted to 821 billion rials, an increase of 11.8 percent compared to the balance in a similar period last year. It should be mentioned that this report was prepared before the final modifications. [Text] [Tehran BURS in Persian 20 Oct 85 p 2] 10,000

CSO: 4640/128

PAKISTAN

MINISTER ACCUSED OF DELUDING NATION ON OIL PRODUCTION

Lahore CHATAN in Urdu 16 Dec 85 pp 12-19

[Article by Yunus Khalish: "How Did Oil Production Suddenly Increase As Soon As Dr Asad Took Over!"]

[Excerpts] The Rawalpindi Union of Journalists [RUJ] presented the country's prominent and pride-worthy atomic scientist with a gold medal for his unprecedented good work. He was presented this gold medal during a prestigious ceremony held at the Press Club, Rawalpindi. Renowned writers and journalists from other cities around the country participated in the ceremony and expressed their profound belief in Dr A.Q. Khan. As a display of extreme devotion and respect, they also had their photographs taken with him. The RUJ is rightly proud of its performance in this regard. That organization of journalists also made arrangements to honor another doctor, one who has attained nationwide fame for producing oil and gas, with a gold medal. The celebrated doctor's face was glowing with happiness, because for a federal minister to receive the highest honor from a platform of newspaper journalists is definitely difficult, if not impossible.

Dr Asad is also a member of the Senate. After gaining victory in the elections, he is once again connected with the same ministry, where, previously, with his magical game of statistics, he had astounded the nation. Perhaps Doctor Sahib does not spend as much time exploring for oil and gas as he does for newspaper interviews and addressing press conferences. During the interim two months when he was not the minister in charge of petroleum, the graph of oil production was sliding downwards. The day he took charge of his office, the production of oil increased instantly. When the nation heard this favorable news, it was overcome with profound happiness that Pakistan is gradually becoming self-sufficient in oil. They acknowledged the God-given capabilities of this young and handsome minister. However, Liaqat Baluch raised a question in the Assembly: How did the rate of oil production, showing a decline during the absence of Doctor Sahib, suddenly return to normal? This is a mystery which can be solved by discerning people only.

Doctor Sahib has already become the darling of the Rawalpindi press club. He brought along a projector. The question and answer session began. During the discussion, Doctor Sahib disclosed that, during Bhutto Sahib's era, he was offered the chairmanship of the Oil and Gas Development Corporation [OGDC], but refused to accept it. One journalist reminded him that there is a rumor

that he applied for a grade 18 position in the OGDC, but was not accepted. This question was so very unbearable for his sensative temperament that in response he challenged that, if it could be proved to be true, he would resign from his ministry. He said that he did not expect such foolish questions from the journalists. After this fierce and sharp answer by the minister, that particular journalist fell silent; however, the gist of his question gave rise to many more questions. Although the above-mentioned journalist failed to present proof, certain responsible officers of the Petroleum Ministry insist that Doctor Sahib tried to the best of his ability to gain employment during Mr Bhutto's reign. A grade 19 officer in the Petroleum Ministry astounded me by disclosing that the above-mentioned person used to send "lunch" bills during the month of Ramadan.

Doctor Sahib is very fond of publicity and personal fame. Two months prior to the 1985 elections, he started trying to gain recognition by holding numerous press conferences. At that very time, certain political segments were openly saying that there was a reason behind the announcement of oil wealth which would be revealed after a few days. On one hand, Doctor Sahib went on claiming good news about oil production and extolling the treasures of gas, while on the other hand the price of oil went sky high. Strangely enough, his fellow-countrymen were given the mournful news of the load-shedding of gas. The people were perplexed and bewildered: If the minister's claim were true, why was there load-shedding, and why were oil prices steadily increasing? This is a riddle which up to the present day the Pakistani people have not been able to solve.

Doctor Sahib gained victory in the Senate elections. There were all sorts of rumors behind his success. Under such circumstances, therefore, the people were reminded of Dr Shahzad Sadiq's dramatic role. Dr Shahzad was a silent partner and authority at the Oil and Gas Corporation whose fame reached its height at the time when, in the National Assembly, Mr Bhutto presented a bottle of petroleum to the House and told Mufti Mahmood to smell it to find out whether it contained petroleum or something else. Mr Bhutto had completely mastered the skill of arousing an audience. By putting on a show in the National Assembly, he made the nation believe that the country had enough oil to become self-sufficient, that no other wealth was greater than oil and that this wealth had become a vitalizing force in the country under his leadership. Iltaf Hassan Quraishi of the URDU DIGEST shattered Dr Shahzad's spell with irrefutable witnesses and evidence. He wrote that the doctor had mishandled tens of millions of rupees in connection with oil.

Just a few months before the elections, Mr Bhutto gave the good news to the nation that oil has been discovered in Dhodak, and that there was so much that Pakistan would be self-sufficient for the next seven years. On 21 December 1976, a joint session of Parliament was held to pay tribute to Quaid-e Azam. That night, the prime minister brought a bottle in addition to his files. He got carried away bewitched by his own oratory. Suddenly, he opened the bottle and extending it toward Mufti Mahmood proclaimed, "You can see that we have found oil."

The entire hall resounded with applause. Mr Bhutto's vein of oratory throbbed and, in a dramatic manner, he moved forward and said, "When on 10 December

1976 the entire nation was prostrate before God praying for oil, the authorities of the Oil and Gas Corporation had already discovered oil at the site of Dhopdak. When the chairman of the corporation informed me about this success, I issued orders to go to the location and inspect the oil find. As soon as this news was verified, I announced it in Parliament. This is a special blessing of God upon us."

After 4 July, Mr Bhutto's power declined. Mr Bhutto was under arrest at Murry. The members of his party went to meet with him. On 17 July, the daily newspaper MUSAWAT announced the good news to the nation that, as a sign of strong victory for the people's government, a magnificent treasure of oil and gas had been discovered in Baluchistan. Our efforts had been successful. Pakistan would no longer be dependent. This glad tiding was in reference to Pir Koh, which is located in the mountains of Baluchistan.

When this happy announcement made by the prime minister was heard, a beam of happiness ran across the country. The Pakistanis working in the Middle East began making plans to return to their homeland. Becoming rich with the wealth of oil was not an ordinary thing. It was owing to this very wealth that the Arabs defeated Israel in the Ramadan war. It was a natural thing, therefore, that the experts of Europe should analyze Pakistan's oil plans. When these experts arrived in Pakistan, the truth of Dr Shahzad Sadiq's claims was revealed to them. A BBC representative promptly said that it all appeared to be a political stunt.

Mr Bhutto was a master of deceit. Showing a bottle of Mufti Mahmood in the Parliament and thus creating a dramatic scene, he said that the nation was busy praying for oil on 10 December, although it was unaware of the fact that the drilling of oil was already under way in Dhodak. The real story was that drilling for oil in Dhodak had begun on 11 June 1975. Due to the error and negligence of staff members, oil caught fire and flames flared up from the well. This scene was first discovered by airplane radar. By the time the fire was brought under control, the machinery worth 30 million rupees had already been destroyed by the flames. The task of drilling, therefore, remained at a stand-still for a considerable period of time.

Dr Shahzad went on playing the game of hide and seek with the nation. Despite wasting tens of millions of rupees, he remained the darling of those in power. Mr Iltaf Hassan Quraishi continued to point out his corruption. After Mr Bhutto was deposed, he succeeded in finding a tender place for himself in President Zia's heart. Very soon, however, the president got to the bottom of the matter. To satisfy General Zia and to mislead him, Dr Shahzad once again utilized his special talents. He filed a law-suit against the editor of the URDU DIGEST. The case was based on fabrication and total fraud. A lie, after all, is a lie. Even though one may achieve temporary success, nature does expose falsehood and, in the end, truth is always victorious and triumphant. For a considerable period of time, Dr Sahib went on deceiving the nation. However, when he went to court, a bitter reality became evident to him. He saw that the umbrella of fabrication under which he was operating was going to split there. He made the most of the situation and, one night, fled the country. Now, with the wealth earned from the OGDC, he is operating his own drilling company in Kuwait. After wasting the national wealth and capital, he

has made a new life for himself elsewhere. The question is whether Dr Shahzad was all alone in this evil-doing or whether some other people were cooperating with him. Did the administration consider it a blessing to get rid of a corrupt person? The story has finally come to an end. Now the OGDC has been purified and peace reigns thereafter. Isn't it astonishing that many of those colleagues and friends with whom he was deluding the country are even today pursuing Dr Shahzad's guiding principles and following in his footsteps. Despite being aware of such highly serious facts, what disciplinary action has the administration taken against this gang? Whom did it expel, who was held accountable and against whom were court proceedings undertaken? All of these questions have negative answers. If these answers are insufficient and unsatisfactory, then the current situation appears more serious.

The personality that played a central role in improving and enhancing Dr Shahzad's image is even today holding the office of chairman of the Oil and Gas Development Corporation in full splendor. He is the darling of the current minister of petroleum. Mr Zaka-ud Din Malik had declared himself medically unfit and left the country. He had already resigned from the corporation and departed from the country. However, Dr Shahzad persuaded him to come back to Pakistan. Malik Sahib has been here since then, and he is performing his duties along with Dr Asad Khan.

There is another story about Mr Zaka Malik that, during Mr Farooqi's era, Mr Malik was a grade 18. He tried for grade 19 but failed. Mr Malik, therefore, resigned from his post. The reason given for this action was that he was mentally unstable. When Dr Shahzad took over the charge of the OGDC, he called Mr Malik back from America and offered him the position of grade 20. During those days, the president of the OGDC employees' union was Dr Musavi. Doctor Musavi could not tolerate this foul play and challenged the appointment. Instead of redressing Doctor Musavi's complaint, Shahzad Sadiq discharged Doctor Sahib from his job. Shahzad Sadiq, for the sake of his friend, deviated from the rules and ethics and suppressed any protest that upset his friends. Dr Musavi is currently working for Pakistan International Airlines, while Zaka Malik is holding a high position after being promoted from grade 18 to grade 21. Even after fleeing the country, Dr Shahzad has not left the OGDC without a legacy, rather, he handed over a "wise and shrewd" person like Zaka Malik to the corporation, so that the business continues in his absence. We are not trying to unravel some "mystery" by telling this story from the past; neither is it an unrelated story to divert attention from current conditions at the OGDC. The reason for describing these indiscretions is that events of the past carry over to the present. There is a danger that, if the snarl is not combed out, extremely dangerous complications may result.

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PAKISTAN

NEGLECT OF NATIONAL LANGUAGE CRITICIZED

Lahore NAWA-I-WAQT in Urdu 20 Dec 85 p 3

[Article by Ibnul Hasan: "Fit Only for Clerical Jobs"]

[Text] When the Senate and the National Assembly came into being it was expected that the people who represent the nation now would have greater clarity of vision than their predecessors and more knowledge of the causes of the vicissitudes through which the country has passed, having had so much time to ponder over these matters when political activity was banned in the country. We expected the new representatives of the public to be less misguided than those who had gone before them.

The question of the national language is one of our basic problems. We thought that the people who came to these assemblies by popular vote to make laws and form policies at the highest levels would be aware of this basic need. Pakistan cannot make any progress without first choosing to use its national language. This is the first step towards gaining our national identity. People more learned and more qualified than myself have discussed this problem in the past. But bad luck has been dogging us all the time.

We expected the present members of the Senate and the National Assembly to give the nation a new life and a new sense of identity, without which politics and democracy are empty words. But we find that the members of these houses, including the ministers, keep trying to say good things in bad English, while some of their peers are losing ground by saying good things in good Urdu. The speaker, Sayed Fakhr Amam, does not take any notice of the appeals made for the promotion of the use of Urdu in the House. He says in a dry and noncommital way that the members are free to use any language they please.

The speaker, being a nonpartisan and democratic person, does not want to coerce the members in anything. His attitude has to be dry and noncommital, but this attitude is depriving the nation of the right ot have its own national language. The government and its different departments have been denying us this right for the last 37 years. This has been a big road-block in the way of the progress of democracy. The nation has not been able to lay claim to a national language for almost 4 decades.

There has always existed a distance between the rulers and the public in this country. It started with the foreign rulers, but it has continued even after

independence. The government leans towards people who have a particular cultural background and speak a particular language. This has made the government lose touch with the majority of the public. That, of course, leads to bad government.

In fact, all the "black men" of the sub-continent are still under the spell of Macauley. If they find that the hold of the English language and culture is weakening they begin to feel very insecure. Why are they so ashamed of their national identity? They want to rise above the rest of their countrymen by sticking to the language and culture of the foreign rulers. They do not want to become a part of their own nation. By speaking Urdu they become a part of their own backward nation. If English remains in force they will be a part of the privileged ruling class. Their security, position and privileges are bound up with the English language. That is why, as soon as there is the lease effort to give the national language its proper place, these people come out with all sorts of arguments against it. They begin to talk about the danger that Urdu poses to the existence of the regional languages (English, of course, does not hurt them). They begin to talk about the destruction that Urdu would cause in the regional cultures. Whey is there no danger to the regional cultures from the English language?

Another hurdle in the way of using Urdu instead of English is said to be that by doing so we would lose the "superiority" we have achieved (in comparison to other backward nations) on the international level. First of all, I doubt that we have any position in the world except that which on the basis of facts we should have. The world knows exactly what we are. It also knows our hypocrisy. If foreigners are decent to us it is only because of their politeness. In their heart of hearts the foreigners give us exactly the same importance that our people give us.

The foreigners can never be our friends. Loving a foreign language and culture will take us nowhere. Our progress will come only when we make up our minds about our national identity. The rulers only want to protect a small privileged class of people and have severed their connection with all other classes in the country. They want the nation to remain involved in all the fears, suspicions and prejudices that would lead to the perpetuation of feudalism, the tribal system and class struggle in the country. There is no unity in the country, and everybody is trying to grind his own ax. This disunity has been contrived for the purpose of keeping power in the hands of a few privileged people.

Let us take the question of the Urdu language. Urdu newspapers are sold in hundred of thousands. The readership clearly runs into millions. Owing to illiteracy, readership is not as high as it should be. But it is many times higher than the readership of the Urdu newspapers at the time of independence. When Pakistan was created, the publication of Urdu papers ran into thousands but now it runs into hundreds of thousands. This means that not only have the people learned to read the newspapers, but newspapers, too, despite all the trials and tribulations, all the censorship and discouragement they have had to undergo, have fulfilled their duty of being a source of communication and inspiration for the people. Urdu newspapers reach the public. Their workers

and journalists are so intelligent that they have formed a storng rapport with the public. Their ever-increasing readership proves the ability of the journalists. People are acquainted with the names of the editors, columnists, reporters and essayists of these papers. They know their ideas and preferences. People are fond of them and communicate their feelings to them. In short these newspapers are a part of the nation's life. In weal and woe these papers have been with the nation. There is no distance between them and the public.

Now let us take the English newspapers. Their number was larger at the time when Pakistan was created. The most esteemed and successful of those papers had a circulation of 25,000. Now the most esteemed and successful English newspaper has a circulation of 30,000 to 35,000, which, considering the increase in population and literacy in the country, is not impressive at all. I will not talk about the ability and knowledge of those who work in the English newspapers, nor will I go into their power of communicating with the people or their ability to express their own ideas in words. I have been connected with the English newspapers for the last 38 years and still earn my living in the same field. I can say definitely that these papers have low standards compared to Urdu papers and have no communication with the public. Their circulation, too, is low (less than 100,000 all papers included). These are the only newspapers that the ruling class reads, patronizes and encourages. In this country where political organizations are generally inactive, and where newspapers and mosques are the only means of communication between the rulers and the public, the rulers keep themselves detached from both. The only newspapers the rulers read are the ones that reject the public and which the public rejects.

A foreigner once asked me about the comparative importance of English and Urdu journalism. I told him that the English newspapers influence the policies of our government, while Urdu newspapers affect the politics of our country. I advised him to get hold of a journalist from an English newspaper if he wanted to get something done by the government, and make friends with a journalist from an Urdu paper if he wanted to cause an upheaval in the country. The foreigner noted the bitterness in my tone and replied: "The Urdu journalist will not be needed in either case: the English journalist and the government can fulfill both these functions without his help."

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END